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PROMOTION OF DOMESTIC TOURISM

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BEFORE THE

SUBCOMMITTEE ON BUSINESS, TRADE, AND TOURISM

OF THE

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

PROMOTION OF DOMESTIC TOURISM AND THE ROLE OF THE FEDERAL GOVERNMENT

NOVEMBER 19, 1985

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PROMOTION OF DOMESTIC TOURISM

TUESDAY, NOVEMBER 19, 1985

U.S. SENATE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
SUBCOMMITTEE ON BUSINESS, TRADE, AND TOURISM
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:08 a.m., in Room SR-253, Russell Senate Office Building, Hon. Larry Pressler [chairman of the subcommittee] presiding.

Staff members assigned to this hearing: Nancy Unger, professional staff member and John Hardy, minority staff counsel.

OPENING STATEMENT BY SENATOR PRESSLER

Senator PRESSLER. Good morning, everyone. I would like to open this hearing and state that this is a fact-finding hearing on the promotion of domestic tourism and the role the Federal Government should have in it, if indeed there should be one, in promoting tourism in this country.

We are all aware of the need to encourage more Americans to discovery America. It is my intent and our intent in this hearing first to discuss ways the Federal Government should promote American tourism; second, to discuss ways the Federal Government can assist State Governments in the promotion of tourism; third, to develop information concerning the economic impact of tourism on the U.S.; and, finally, to draw attention to our national recreation areas as travel destinations.

It is important to realize the significant contributions tourism has on America's economy and establish the Federal Government's role in promoting America. That is why we are here this morning. The USTTA is doing an outstanding job on a very limited budget of promoting foreign visitors to this country. Donna Tuttle, Under Secretary for Travel and Tourism, will be our first witness. Thank you for being here.

I call on Senator Ford.

OPENING STATEMENT BY SENATOR FORD

Senator FORD. Thank you very much, Mr. Chairman.

There were two subjects of this morning's hearing that drew my attention: explore the role of the Federal Government in the direct promotion of domestic tourism; and explore ways the Federal Government can assist the efforts of State Governments to promote tourism.

Mr. Chairman, as I understand it from à little experience I had as Governor of Kentucky and having a State parks system that was probably in the best in the country, we find that a little goes a long way. Let me give you an example.

A $700,000 tourism advertising campaign was directed at the State's primary travel market. I think it has proven this to be an effective means of drawing travelers to Kentucky. Some people say that the return is not worth the money spent. Let me just say this. We feel, and I think it is on the conservative side, for every dollar that Kentucky has spent we have received $9 in return.

Now that little money gives us a lot. Here is the economic impact of Kentucky's tourism and travel industry in the years 1983 and 1984. The impact of Kentucky's travel advertising, the tourism research series that we have in Kentucky and all of this is available for a paltry $700,000 a year.

To give you just one example, we advertised the fall foliage in Kentucky. You hear a lot about New Hampshire and Vermont and Virginia, but we advertised the fall foliage in Kentucky this time and had millions let me underscore that—had millions of telephone calls as it related to our advertisement for fall foliage.

One other point I want to make other than what Kentucky has been able to do under limited resources. I think the Federal Government has the responsibility to assist the States in promoting foreign visitors. They want packages put together. They can write directly to Kentucky or they can write directly to some other State, and if we have promoted our State in those countries then we probably would get a phone call or a letter requesting a travel package.

But I think it is the responsibility of the Federal Government to take what we have in this great land of ours, package it together, because we have foreign visitors that want to come.

If we just look at travel, we have one large industry that is available, and I think Kentucky is an example. We created 44,000-plus jobs in Kentucky in 1982. Almost 4 percent of all the jobs in our State related to tourism. That is the economic impact of travel and tourism in Kentucky 2 years ago.

And you begin to look at all of these things, about $350 million payroll, over $2 billion in expenditures in the State. It just is fantastic what can be done. And that all came as a result of a $700,000 promotional budget.

Plus, one of the other things that Kentucky has been able to do as it relates to parks. I promote Kentucky today for obvious reasons, Mr. Chairman, but I do it to draw attention to the fact that we do have the ability to attract visitors, both domestic and foreign, and the Federal Government should be a partner in this and not one that just give token support.

Senator PRESSLER. Well, thank you very much for that excellent statement. Let me add that in South Dakota we are blessed with four national parks and we are going to hear from the Park Service. We are going to hear from the Corps of Engineers. In many States, including South Dakota, we have recreation areas run by them. We have the National Forest Service here, a great potential for tourism in our forests that has not been developed. And the Bureau of Public Lands. So there is an enormous Federal presence across the country.

And we had before this Committee, we once had the late Herman Kahn, who said by the year 2000 tourism and travel may well be the leading industry in the United States because part of a liberal arts education abroad is visiting the United States and seeing some of our natural resources. So I do think and, of course, none of this mentions the balance of payments problems and the various issues.

I just heard on the news this morning that the Soviet Union has 6 million tourists coming into the country a year. Of course, they do not let any tourists out, but that is an immense shot in terms of their balance of payments.

But we do have to become more sophisticated about using our foreign embassies as listing points of destination, of training our Foreign Service Officers in tourism, as we do now in exports, and in terms of here at home a lot of our States, my State and your State, does a lot of work but we have had to really struggle to maintain it. Every year it is a real budgetary struggle up here to keep just a minimum presence in the Department of Commerce.

I think the Department of Commerce should be called the Department of Commerce and Tourism because it is such a great source of revenue.

But, in any event, I will call upon our first witness.

Senator FORD. Mr. Chairman, let me just express the regret of Senator Hollings and Senator Inouye, who are necessarily absent from this meeting. They have statements for the record and I ask that I might submit those for the record.

Senator PRESSLER. Yes, without objection, so ordered.

[The statements follow:]

OPENING STATEMENT BY SENATOR ERNEST F. HOLLINGS

Twenty-six years ago, when I was Governor of South Carolina, I first realized the vital role that tourism plays in our economy. According to a study I read back then, Myrtle Beach had a large budget for tourism and was reaping huge dividends from its wise investment. Meanwhile, my hometown of Charleston was spending very little on tourism promotion and, as you might expect, was receiving very few tourism dollars.

I discovered then that many communities across South Carolina—a State so right in history and natural beauty—could profit from a statewide effort to promote tourism. So, in the early 1960's, we established the Legislative Committee on Tourism Trade. In 1965 we launched the first Governor's Conference on Tourism and Trade. And later, the State instituted the Department of Parks, Recreation and Tourism.

This governmental activism has paid off handsomely. Today, tourism is the second largest industry in South Carolina and represents some $2.6 billion worth of business each year. Almost 70,000 South Carolinians are employed in tourism-related jobs. In addition, tourism in our State generates nearly $225 million annually in Federal, State, and local tax revenues.

The awakening to the importance and potential of tourism promotion that took place on a State level in South Carolina was also occurring nationally. When Governor Luther Hodges, of North Carolina was appointed Secretary of Commerce by President Kennedy, I talked to him about instituting a national effort in tourism promotion within the Department of Commerce. Accordingly, the International Travel Act of 1961 established what is today called the U.S. Travel and Tourism Administration.

This, too, has paid off. Tourism has become the third largest retail service industry in the United States at $229 billion—6.4 percent of the GNP.

During the recent Senate debate on the textile legislation, we have learned how important it is for our Government to begin competing on the international marketplace. The issue is not "Free Trade" or "Fair Trade," it's competition. Other nations are using their governments to promote their industries on the global market. We've got to met that competitive challenge accordingly

The same goes for international tourism. Worldwide tourism expenditures are estimated to be about $750 billion. Most other nations have national tourist offices to help them grab the largest slice possible of that pie. We must meet that challenge accordingly. To do so the Federal Government must get serious about an industry which employs over 6 million men, women and teenagers. In instance after instance Federal agencies have failed to consider the impact of their policies and programs on the travel industry. For example:

—The administration is attempting to eliminate the USTTA even though over 125 nations have similar national tourism promotion offices throughout the world. Perhaps all those countries are wrong, and we are right. But I do not think so.

The programs of that agency, I might add, have a cost/benefit ratio to the Federal Government of $18.50 to $1.

Year after year, first as chairman of the appropriations subcommittee, and now as its ranking democrat, I have had to take the initiative and fund the travel service over the objections of OMB and the White House.

—Under present law a tax credit of up to 25 percent of expenditures is provided for rehabilitating certified historic structures.

The administration proposes to repeal that provision as part of its tax reform.

Historic preservation provides a continuity with out past, and is an important part of our tourism industry. But the Deparment of the Treasury apparently is not aware of that fact.

—The administration's proposal to limit tax deductible business expenses would devastate a substantial segment of the travel industry and cause the loss of hundreds of thousands of jobs.

Moreover, it would wreak this havoc without any corresponding benefit, because even its proponents characterize the proposal as revenue neutral.

I believe everyone in the industry and those of us in Congress, who recognize the economic importance of tourism, agree on one absolutely essential role for the Federal Government. The Government must make every effort to ensure that all of its policies and programs recognize the economic importance of tourism.

So I welcome these oversight hearings as an opportunity to emphasize once again that the Government must get serious about an industry which contributes $229 billion to the national economy, and provides over 6 million jobs.

OPENING STATEMENT BY SENATOR INOUYE

I wish to commend the distinguished chairman of the Tourism Subcommittee for scheduling this oversight hearing on the Federal Government's role in the promotion of our domestic tourism industry. In doing so, he is continuing the tradition of leadership which the Senate Commerce Committee has taken in overseeing the Government's extensive involvement in an industry which now is the second largest retail service industry in the United States ($229 billion).

—When the tourism subcommittee was created in 1971, it was the first time in the history of the Congress that tourism was considered important enough to warrant the creation of a special subcommittee to oversee the Federal Government's activities which affected it.

—On several occasions it has been the Tourism Subcommittee which has led the effort in Congress to resist attempts by Democratic and Republican administrations to eliminate the USTTA.

—During the energy crisis of 1973–74, the then Federal Energy Administration [FEA] proposed an emergency fuel allocation program which would have declared a substantial segment of the travel industry "non-essential." The Tourism Subcommittee recommended a resolution, unanimously adopted by the Senate, that disagreed with that assessment, and the FEA did not adopt its allocation proposal.

—The landmark 5 year National Tourism Policy Study, and the ensuing National Tourism Policy Act which created an Undersecretary of Commerce for Tourism, was initiated by the Tourism Subcommittee.

The principal finding of the NTPS was that even though 100 Federal programs directly affected the travel industry, very few of them were supportive of the industry.

The National Tourism Policy Act of 1981, provided mechanisms which, it was hoped, would remedy this official myopia.

There has been some success, but the problem is still extremely serious. For example, the current administration proposal to limit tax deductible business entertainment expenses would devestate a substantial segment of the travel industry and cause the loss of hundreds of thousands of jobs.

This, of course, is the very kind of ill-considered proposal by an agency of the Federal Government which is counter-productive to the national interest in a sound economy, and full employment in our second largest retail service industry.

First and foremost, the Federal Government's role in promoting tourism is to ensure that its programs and policies are supportive of the private sectors's efforts.

I would hope that today's hearing will emphasize that role, and send a message to those in Government whom it appears still do not recognize the national importance of the industry.

Senator PRESSLER. I now call upon the Honorable Donna Tuttle, Under Secretary for Travel and Tourism, Department of Commerce, Washington, DC, a very outstanding person in our Government. Donna.

STATEMENT OF DONNA TUTTLE, UNDER SECRETARY OF COMMERCE FOR TRAVEL AND TOURISM, DEPARTMENT OF COMMERCE

Ms. TUTTLE. Thank you, Mr. Chairman and Members of the Committee. I would just like to give some brief comments in summary of my remarks and my testimony and then I will certainly answer any questions that you might have.

My testimony cites the importance of the growth of service industries, and certainly we are all aware of that. And when you look within the service industries you are very much aware of the fact that tourism is one of the largest sectors within that industry.

USTTA has spent a great deal of time and research stressing the fact that tourism is an export and trade item. Certainly, with close to $150 billion in a trade deficit, we think that tourism as a trade item can create a positive potential trade surplus in many countries. We talk a lot about what is going on in Japan and that we have a large deficit, and yet no one talks about the fact that in the travel account we have a $900 million surplus with Japan.

We also know that tourism is made up of large and small businesses and large and small States, and what most people do not realize, though, is that tourism does not affect just the large States and the coastal States, but it does affect smaller States and interior States. An example I would like to use is the American heartland. The States that make up the American heartland Arkansas, Kansas, Louisiana, Missouri, and Oklahoma. International tourists spend in Missouri $47 million, and again that is in the heartland of America.

I chose this example of those States and of this region because they are partners in our new advertising cooperative project in West Germany which we just unveiled and launched in Germany, in fact in Frankfort last week. This project, as most of you know, is the first time that America will be sold in the overseas markets under one generic theme, "America: Catch the Spirit". The promotion will run in 24-page supplements in consumer magazines from December to May.

The success of this project is already evident from the number of partners that we have enlisted from the private sector States and cities. In fact, we have 41 partners in this West German project spending over $2.5 million, which is in addition to what USTTA is doing in its own promotion. Out of that 41 partners, 20 of them are destinations, are States and cities from all over the United States.

One of the outcomes that has come from the development of the theme, from the development of the marketing guidelines, from the development of the regional planning has been a very positive effect on domestic tourism and, of course, we think this has been very beneficial in regards to that segment of tourism.

I would now be willing to answer any questions that you might have.

Senator PRESSLER. Well, thank you. You have given some of the impact of USTTA's program on domestic tourism and international tourism. Do you have anything to expand on that in terms of your office's impact on both domestic and tourism coming here from abroad? Also, how can USTTA be greater involved in domestic tourism?

Ms. TUTTLE. Okay. Specifically, we are doing something new that we have never done before, and that is we are developing new regional marketing plans for the different regions of the United States. In fact, I have the first one which I brought here today. It has not been released, but what we are going to do is go on December 5 and 6, to the south and work with the south, with eight States, on the research that we have on how they can market in the overseas markets, where they get most of their visitors from. In this case, it would be Canada, U.K., and Germany.

We have never done this before. We would like to do it with all of the different regions of the United States. As you know, we hold a State-city day on February 20 and 21, 1986 which gives us another time to call in industry and call in the States and cities and talk about marketing. And this obviously would affect their own domestic tourism.

We have been partners with the National Tour Association, who I think is going to be represented today, in a media campaign, "Travel for Tomorrow", and that is something that is on television promoting travel within the United States. The brochures that we just published for the first time in 7 years dividing the United States up into 12 regions, those brochures are now available for States on their own to collect and gather and use for domestic promotion. In fact, some of the States have done that.

So I think these programs have all had very positive effects.

Senator PRESSLER. I just had breakfast the other morning with Secretary of the Interior, Don Hodel, who is going to start an initiative in terms of making people more aware of the National Parks. Have you been consulted in terms of there is always a controversy. The environmentalists sometimes feel we have too many tourists in some of the national parks, and then you have the tourism industry that would like to see more.

And there has to be a balance, I guess. Some of the national parks are overcrowded, some are not. Have you been consulted by the Department of Interior about this problem?

Ms. TUTTLE. I have. In fact, they have come over and unveiled their new promotional theme to me, which I think is very positive, and I think it will go in line with exactly what we are doing at USTTA. I have also had the chance to go over and meet with Director Mott about this same question, and in fact it is something that we will be discussing specifically tomorrow in our Tourism Policy Council.

We have two items where there is a problem between the environment and the number of tourists, which I think on an individual basis can be worked out. What we are trying to say is that tourism does not necessarily have to ruin the environment, but both can go hand-in-hand and complement each other.

Senator PRESSLER. Some years ago I had the privilege of sponsoring the legislation that created your particular office, so I am always interested if the other agencies are working with you. We have here today the National Park Service and the Corps of Engineers, the National Forest Service and the BLM. Do they work together with you on issues that relate to tourism and visitors, both foreign and domestic?

I mean, have you had consultations and meetings with these groups?

Ms. TUTTLE. Yes, we have. They are members of the Tourism Policy Council, and I might say very active members. And the second council that they sit on is the Travel for Tomorrow Council. And in fact a lot of them are looking to be partners in this media campaign which would promote tourism, conservation, environmentalism all at the same time.

Senator PRESSLER. Do you see a problem with increased tourism in terms of our national parks being able to handle the tourists or some of the more popular ones? How would you limit the entry into some of the more popular national parks or areas? Of course, in some of our recreation areas you have to have a reservation and so forth, but how do you see this conflict between the use, the environmentalists I mean, tourists can be environmentalists; it is not inconsistent.

Ms. TUTTLE. That is right.

Senator PRESSLER. But there is a use limitation or however you want to say it. Do you see a problem here in the future?

Ms. TUTTLE. One of the recommendations which I suggested to Director Mott was that obviously we need to promote the parks that are not used as much, and certainly that is something that is in line with what we do. Number one, our parks are probably the most important destinations for international visitors. The parks are of top concern to us.

We carry in our new brochures very detailed information in every State about the parks and the availability of the parks, but I think what is not happening is that the information on the many different parks and the kind of usage that you can have is not out there on the shelf. So I suggested to Director Mott that we work together in that respect of promoting less developed parks.

Senator PRESSLER. The other morning with Secretary Hodel I invited him to visit some of our national parks in South Dakota, and I would extent that same invitation to you. But in addition to those parks we also have large amounts of national forest lands and public lands, some grasslands, the Corps of Engineers recreation area. How are these being worked into tourism, particularly forest lands?

Ms. TUTTLE. You know, I have not, in terms of a marketing plan, worked with the Corps or others. You are giving me an idea that that certainly would be something we could do as we go out into the regions and we talk about developing tourism within that region, that is that we could certainly include those groups.

We already were going to include the Park Service because we work very closely with them anyway. But in terms of the other agencies and the Corps of Engineers, that would be something that we could handle in these regional seminars that we are doing.

Senator PRESSLER. Yes. If we could see more of a plan regarding the forest lands and Corps of Engineers recreation areas, in some of these areas the jurisdiction gets a little fuzzy because the Corps of Engineers may have jurisdiction but lease it to a State for management and so forth, and the States do a very fine job. But I do think we need I guess we give most of the attention to the national parks. Of course they are, I suppose, the cream of the crop in terms of what tourists are interested in.

But these other areas deserve equal attention. Would it be helpful for USTTA and those other Federal agencies to get together and form an advisory panel that would deal directly with States and the industry on domestic tourism promotion? Maybe we have enough advisory panels already; maybe that would not take the form of it, but is there enough being done on a coordinated basis with the States?

Ms. TUTTLE. I think so through the Tourism Policy Council. When it does involve specific States for instance, tomorrow we are having a certain issue with Colorado, and we have in fact the Mayor of Telluride attending the meeting tomorrow—we specifically call in the States.

A suggestion could be that maybe the States would want a permanent member to sit on that Council and be a member to represent the actual States to ensure that there is a relationship, but I really think the Tourism Policy Council does work and it is the vehicle that could handle those issues.

Senator PRESSLER. You had some figures there that you gave for Missouri. Now was that foreign?

Ms. TUTTLE. That was international visitors. Again, I was trying to show that it also benefits the heartland of America.

Senator PRESSLER. Do you have those numbers for South Dakota, by chance?

Ms. TUTTLE. No, but I will bet you that someone in the room behind me does. I do not have them right here.

Senator PRESSLER. I would like to get those in the record. Does anybody in the room have those statistics for each State? I am looking for how much the foreign visitors spend in South Dakota. I would like to put it in the record..

[The information follows:]

A report from USTTA estimates that in South Dakota during 1983: foreign visitors spent $8.5 million; foreign visitors spending generated $1.7 million in payroll income; foreign visitors spending generated 300 jobs; and foreign visitors spending generated over $0.7 million in Federal, State, and local tax revenue.

Senator PRESSLER. At this point I will yield to my colleague, Senator Ford.

Senator FORD. Thank you, Mr. Chairman.

Ms. Tuttle, let me ask you a couple of questions and your answers may lead into some other things. Under the present law, a tax credit of up to 25 percent of expenditures is provided for rehabilitating certified historic structures. The stated rationale of the administration for proposing to repeal this provision is that, and I quote their reasoning, "these credits are embedded in a complicated matrix of tax rules which taken as a whole result in widely-varying after-tax returns for investments in different types of assets, and there is no evidence that the combined tax benefits available to contractors or rehabilitators of new buildings are an appropriate incentive for investment in older buildings."

Now historical preservation provides continuity, as you have explained, and it is an important part of our tourism industry. But the people who recommended the tax proposal apparently are not aware of this fact. Did your office have an opportunity to educate Treasury on this item?

Ms. TUTTLE. We had a meeting in our Tourism Policy Council on some of the Treasury measures and this was not brought up. We have not discussed this matter.

Senator FORD. So you have not discussed that at all?

Ms. TUTTLE. No, we have not.

Senator FORD. They apparently do not care what your thoughts are on it and drove right on past you without consulting you.

Ms. TUTTLE. They may have consulted someone else, but they have not consulted me, and it was not brought up within the Tourism Policy Council.

Senator FORD. Well, we have two areas that are doing an extremely good job as it relates to this tax credit. One is northern Kentucky, and they are moving on and you can walk through those communities with pride to see the money and investment that is being made as a result of this incentive. It is making areas that were not necessarily the best areas in town into areas where you would go, we all would go, where we would live. Louisville is doing an extremely fine job.

It seems to me at the point where we are beginning to see some fruits of our labor, lo and behold we come to the point where it is just one of those tax incentives that you want to just do away with.

Do you have any feeling as to that tax incentive being elminated?

Ms. TUTTLE. As you know, Treasury has the lead on this one. Because it has been changing every day, in terms of what they are agreeing in on the tax issue, I do not know where they stand now and I have no opinion on it.

Senator FORD. Well, that bothers me considerably, since, one, you are involved trying to do a job, I think, under adverse conditions with very little help, and they seem to be ignoring you as it relates to what you know about these various projects around the country.

Now people involved in these projects say that these small towns of America are the best hope for retaining the old structures to provide continuity with the past, and many cities have undergone upheavals that have left few landmarks standing and you know that where they have gone in and just leveled blocks, and we have no tie with the past in those various communities. This gives us an opportunity.

I drive by one every morning, and all they have left is about 15 feet of brick, a window and a roof, and everything else behind it is going to be new, but they are getting a tax credit. Now I think maybe it is going to be a home, and I think maybe that is an abuse. I am not sure yet.

But where it improves the community and increases the tax base, it gives them an opportunity. I think this program ought to stay in place, and I would hope that your agency would make an effort to educate Treasury as it relates to this. It is one I am going to try to retain because it is very important, as I say, to parts of my State that are doing an exceptionally fine job.

One other question that bothers a lot of us as it relates to tourism. The National Tourism Policy Act tried to create a mechanism which would ensure that before any agency recommended legislation which would substantially affect tourism, other agencies— principally the United States Travel and Tourism Administration—would have an opportunity to make observations and give advice. The idea being that some of the more ill-conceived proposals could be refined or scrapped, and the executive branch is often a better place for that process to take place than the Congress.

Now the question is, before Treasury submitted its first tax reform proposal, so-called Treasury 1, did the Travel Service seek an opportunity to comment on the proposal to reduce deductions for business entertainment expenses?

Ms. TUTTLE. No, it did not. It sought to clarify exactly what it was the Treasury was going after. It also sought to clarify the impact that it would have on the industry and to try and gather information on the kind of impact it would have. This was done through telephone calls before it was taken up at the Tourism Policy Council.

Senator FORD. I would have thought the Policy Council would have tried to do that or is supposed to do that.

Ms. TUTTLE. We then brought it up at the Tourism Policy Council and we did discuss it. Unfortunately, there was not a representative there from Treasury. We then sent the material to Treasury, since they did not have a representative at the meeting.

Senator FORD. Did you ask Treasury to come?

Ms. TUTTLE. Yes, we did.

Senator FORD. And Treasury did not show?

Ms. TUTTLE. That is right.

Senator FORD. I am beginning to wonder a little bit what is developing. What is the Travel Service's position on the proposal?

Ms. TUTTLE. We have taken no position. Since I do represent the administration, I felt that it was my responsibility to forward impact studies, to discuss the issue, to present the administration with the industry's views, which is what I have done.

Senator FORD. Well, but apparently Treasury is not interested in attending the meetings and finding out your views, and if you mailed your suggestions over there, some lower level bureaucrat has probably got it in his desk drawer.

Ms. TUTTLE. It was handled on a one-to-one basis with someone within Treasury. I felt good that it hit one of the right people. If it had a major impact I certainly cannot answer that.

Senator FORD. Apparently it did not have any impact.

Ms. TUTTLE. The decision has not been made yet on the Treasury bill, but that is really up to Treasury.

Senator FORD. It came up here. The Treasury proposal is already up on the Hill.

Ms. TUTTLE. It came up with it intact, so then they decided to leave it.

Senator FORD. So without consultation with you, apparently.

Ms. TUTTLE. Without a person attending our meeting, yes, that is right.

Senator FORD. All right, Mr. Chairman, thank you.

Senator PRESSLER. Thank you. I am going to ask a follow-up here. You mentioned the regional meetings that you are organizing. What is the timetable for those and what exactly will be the role of the States and what will happen at those regional meetings?

Ms. TUTTLE. The timetable is that they will run all year long and our goal is to do four or five a year. So it will be a couple of years for us to do all of the different regions. The States themselves are the ones that are doing the inviting of industry and of the different groups of the State travel directors and of the cities and convention bureaus.

We are bringing in the resource material, the directors from the countries where the most visitors come from, and actually sitting down and putting together a marketing plan, and then we will present that marketing plan. We will be implementing that plan in the overseas market with the States as participants.

Senator PRESSLER. So the States will have an impact on the overseas plan?

Ms. TUTTLE. They will have an impact. They will have a part in it, participate in it, absolutely.

Senator PRESSLER. By the way, I have obtained a sheet of statistics here on South Dakota's fact sheet. Tourism is our second-largest employer, as I knew well, but it does not include the foreign visitor contribution. That is something I want staff to get for the record. In our State it is the second-largest employer and a very important industry.

Senator FORD. It depends on how many pheasants you have up there and how easy they are to hit.

Senator FORD. May I ask a question? You said that you were working with the southern States. Who are those southern States?

Ms. TUTTLE. They are members of what is called the Southeast Tourism Society, and the Old South. We are going into both of those organizations.

Senator FORD. I thought that was right, but you said you were working with southern States and there ain't no north, there ain't no south. We used to call Montreal "Montre-you-all", so I just wanted to be sure.

Senator PRESSLER. I just read in National Geographic that Kentucky is an Ohio Valley State, not a southern State.

Senator FORD. It depends on where you are going.

Senator FORD. If you are going east, you almost have to go through it. If you are going west, you almost have to go through there. Going south, we are considered southern; if you go north, we are considered north. So you could not have it any better.

Senator PRESSLER. You have got it all ways.

All the things that make life fun.

All right. We thank you very much.

[The statement follows:]

STATEMENT OF DONNA F. TUTTLE, UNDER SECRETARY OF COMMERCE FOR TRAVEL AND TOURISM

Good morning. I am Donna F. Tuttle, Under Secretary of Commerce for Travel and Tourism.

Mr. Chairman, members of the committee. I am pleased to be here today to testify on international and domestic tourism.

Since tourism is a part of the service industry, I will begin with a brief remark about services.

The U.S. economy has undergone profound change over the last several decades. Today, our economy is services-based. According to the Coalition of Service Industries, services in 1984 accounted for 69 percent of the U.S. Gross National Product [GNP] and 74 percent of U.S. employment. Of the 20 million net new jobs created by the U.S. economy in the 1970's, 90 percent were in services.

In its broadest sense, tourism including both business and leisure travel, is a part of the services economy and encompasses all expenditures for goods and services by travelers, as for example: purchases of transportation, lodging, meals, entertainment, souvenirs, travel agency and sightseeing tour services, and personal grooming services. In addition, tourist activities make use of the services of other industries, such as insurance, credit cards, advertising, and data processing. As tourism increases, there is also an increase in the manufacturing of airplanes, cars and other transportation goods as well as increases in the construction of hotels, attractions and other tourism related structures. In other words, the full scope of international travel and tourism, covers the output of segments of many industries.

Tourism is an important source of income for most of the countries of the world. According to the World Tourism Organization, worldwide expenditures for domestic and international tourism taken together in 1984 were estimated at over $750 billion. Tourism contributes importantly to the United States economy. The U.S. Travel Data Center reports that total travel expenditures in the United States, both domestic and international, reached $229 billion in 1984 or about 6.4 percent of the GNP.

In 1984, worldwide international tourism arrivals were about 300 million, with worldwide international tourist receipts of $100 billion. For the United States in 1984, international tourist arrivals were 20.8 million, with international tourism receipts of $11.4 billion. If international passenger fare receipts and payments on U.S. carriers are included, U.S. international travel and tourism receipts for 1984 reached $14 billion.

Tourism, that is travel receipts and passenger fares taken together, for both business and leisure, is the largest tradable business services export (see table I). During the 1970's international tourism, like the rest of the services exports, grew rapidly. And although the United States remains the world's largest exporter of services, its share of the world services market is declining—from 20 percent in 1972 to 15 percent in 1980. Similarly, the U.S. share of world and the Americas region of international tourism receipts has been changing (see table II). U.S. international tourism receipts, as a percent of the world travel market, peaked in 1981 at 13.2 percent, and declined to 11.4 percent by 1984. Of course, the high value of the dollar during that period has made travel in the United States more expensive.

The U.S. market share has been decreasing for the most part because of conditions in the marketplace, as for example: (1) reduced purchasing power of most major currencies vis-a-vis a much stronger U.S. dollar, and (2) slow economic recovery from recessionary conditions in major tourist-generating countries.

TABLE I.—U.S. EXPORTS OF SERVICES—SELECTED YEARS

[In millions of dollars]

	1960	1970	1980	1983	1984
Business services:					
Travel	919	2,331	10,131	11,408	11,386
Passenger fares	175	544	2,582	3,037	3,023
Other transportation	1,607	3,125	11,647	12,802	13,799
Fees and royalties	837	2,331	7,082	7,854	8,115
Other private services	570	1,294	5,408	6,474	7,463
Total, business services	4,108	9,625	36,850	41,575	43,786
Other services:					
USG miscellaneous services	153	332	362	630	624

TABLE I.—U.S. EXPORTS OF SERVICES—SELECTED YEARS—Continued

[In millions of dollars]

	1960	1970	1980	1983	1984
Investment income/payments	3,621	8,169	37,146	20,757	23,078
Other private receipts/payments	646	2,671	32,737	51,414	59,301
USG receipts/payments	349	907	2,562	4,832	5,230
Transfers, U.S. military	335	1,501	8,181	12,737	10,086
Total, all services	9,211	23,205	117,838	131,945	142,105
Merchandise, adjusted, except military	19,650	42,469	224,237	200,257	220,316
Total, goods and services	28,861	65,674	342,073	332,201	362,421
IMPORTS					
Business services:					
Travel	1,750	3,980	10,397	13,977	16,008
Passenger fares	513	1,215	3,607	5,532	6,508
Other transportation	1,402	2,843	11,790	12,322	14,666
Fees and royalties	75	225	817	452	516
Other private services	593	827	3,094	3,609	3,762
Total, business services	4,333	9,090	29,705	35,892	41,460
Other services:					
USG miscellaneous services	313	725	1,769	2,193	2,133
Investment income/payments	394	875	9,470	6,734	10,188
Other private receipts/payments	511	3,617	20,893	29,104	38,543
USG receipts/payments	332	1,024	12,512	17,657	19,769
Transfers, U.S. military	3,087	4,855	10,467	12,222	11,851
Total, all services	8,971	20,184	84,816	103,802	123,944
Merchandise, adjusted, except military goods and services	14,758	39,866	249,781	261,312	328,597
Total	23,729	60,050	334,596	365,113	452,539

Source: Survey of Current Business, Bureau of Economic Analysis, U.S. Department of Commerce.

TABLE II.—U.S. SHARE OF WORLD AND AMERICAS REGION INTERNATIONAL TOURIST RECEIPTS, 1960–84

[In billions of current dollars]

Year	World international tourism receipts	U.S. share (percent)	Americas region international tourism receipts	U.S. share (percent)
1960	$6.8	13.2	2.4	37.5
1961	7.3	12.3	2.5	36.0
1962	7.8	11.5	2.6	34.6
1963	8.3	12.0	2.6	38.4
1964	9.6	12.5	2.9	41.3
1965	11.0	12.7	3.3	42.4
1966	12.5	12.8	3.4	47.0
1967	13.4	11.9	4.0	40.0
1968	13.8	13.0	4.0	45.0
1969	15.4	12.9	4.5	44.4
1970	17.9	12.8	4.8	47.8
1971	20.9	11.9	5.2	48.0
1972	24.8	11.2	6.1	45.9
1973	31.3	10.8	7.4	45.9
1974	34.1	11.7	8.7	45.9
1975	38.6	11.9	9.7	47.4
1976	43.7	13.0	11.0	51.8
1977	52.4	11.6	11.5	53.5
1978	65.0	11.0	13.5	53.2
1979	79.0	10.6	16.0	52.8

TABLE II.—U.S. SHARE OF WORLD AND AMERICAS REGION INTERNATIONAL TOURIST RECEIPTS, 1960–84—Continued

[In billions of current dollars]

Year	World international tourism receipts	U.S. share (percent)	Americas region international tourism receipts	U.S. share (percent)
1980	95.3	10.5	[1] 20.9	50.7
1981	[1] 97.7	13.2	[1] 25.2	51.2
1982	[1] 94.6	13.1	[1] 22.9	54.1
1983	[1] 96.2	11.9	[1] 23.4	48.8
1984	[2] 100.0	[2] 11.4	[3] 24.9	47.6

[1] Revised.
[2] Preliminary.

Source: World Tourism Organization and U.S. Department of Commerce (United States Travel and Tourism Administration and Bureau of Economic Analysis).

The tourism sector is highly diverse; part public, part private, and composed of many industries and many firms. State and local governments as well as private industries actively promote international and domestic tourism. It is estimated that there are more than one million enterprises involved in tourism, of which 98 percent can be classified as small businesses. These firms include "mom and pop" travel agencies, family-owned motels, restaurants, amusement areas, souvenir gift, and other retail establishments. It also includes large corporations that own hotel chains, airlines, steamship lines, bus lines, railroads, rental car agencies, theme parks and airport catering operations.

The United States Travel and Tourism Administration (USTTA), in implementing the National Tourism Policy Act, is charged with the promotion of U.S. export earnings through trade in tourism. It has done this through an integrated international marketing program.

USTTA's fiscal year 1985 budget of $12 million was largely utilized to support USTTA initiated tourism marketing programs in the nine countries where USTTA has tourism marketing offices and to support an international congress office in Paris which promotes the United States as a site for international congresses and conventions. The countries where USTTA has offices include Canada, Mexico, Japan, United Kingdom, West Germany, France, Australia, Italy and the Netherlands. These countries account for 82 percent of international tourism visitors to the United States. USTTA has maintained a staff level of 70 persons to carry out its responsibilities, including 25 in the headquarters and 45 in offices abroad.

USTTA has developed programs with U.S. travel suppliers to promote and sell their products or services to the foreign travel consumer and foreign trade. Major programs have included cooperative advertising, trade and consumer support, media services, preparation and distribution of brochures, journalists agents, familiarization tours and technical marketing assistance to regions and State and local governments and industry.

Travel development activities in select countries where USTTA has had no direct representation have been carried out by the U.S. Foreign Commercial Service in cooperation with Visit U.S.A. committees comprised of representatives of the United States and foreign travel industry in those countries.

Over the past year research, market testing and assistance from private and public sector tourism entities have been devoted to developing a generic theme to promote the United States as a tourism destination. This past February, during USTTA's State/City Days Conference, the new tourism theme, "America, Catch the Spirit," was presented. It has been well received by the tourism industry. Another USTTA program has been in cooperative advertising. USTTA has conducted a cooperative advertising program which involves minimal "seed money" expenditures by USTTA, but is designed to encourage U.S. businesses and State and local areas to collectively participate in a single advertising activity. For example, USTTA has put together an advertising supplement which has 73 partners in the Toronto Star. This approach makes it easier and less expensive for small businesses and States with limited resources to participate in advertising their tourism product abroad.

USTTA has conducted regional marketing seminars to assist regions, States and cities in their efforts to market their tourism products abroad.

Through USTTA's In-Flight Survey program, data has become available for use by the tourism industry. USTTA also conducted other research programs which produced State by State tourism information.

USTTA provided technical assistance to States, local areas and businesses through a State/City Days. In addition, USTTA and the Travel Industry Association of America co-sponsored an international travel trade show referred to as the "Pow-Wow". The program matched international travel buyers with U.S. tourism suppliers. USTTA also assisted States and U.S. businesses in their participation in international travel trade shows abroad.

Another important activity undertaken by USTTA was to provide technical assistance to States interested in developing State tourism policies. To that end, USTTA prepared a model State tourism policy designed in a format which makes it easy to present to a State legislature.

An important policy body administered by USTTA which concerned itself with tourism activities where the Federal Government is concerned is the national Tourism Policy Council. The national Tourism Policy Council [TPC] was established in 1981 as a mechanism for coordinating tourism-related Federal programs across agency lines. The TPC was formed to achieve two purposes:

1. Greater recognition of the size, complexity and importance of the travel industry and its interrelated totality; and
2. Establishment of a focus within the government to ensure that the national interest in tourism receives fair treatment from Federal administrators and to coordinate Federal activities that have a significant effect on tourism.

The Council has brought together high-level agency officials with direct program operating responsibilities to consult and discuss needed improvements, to examine specific tourism-related programs, and to assist in resolving interagency conflicts should such arise. The Council is comprised of representatives from the Office of Management and Budget, the Commerce Department's International Trade Administration, and the Departments of Transportation, Interior, State, Labor and Energy. The Chairperson has invited representatives of non-member agencies to participate from time to time in the functions of the Council.

In addition to the Tourism Policy Council, the National Tourism Policy Act of 1981 also established the Travel and Tourism Advisory Board to advise the Secretary of Commerce of tourism matters. The composition of the members of this Board cuts across the boundaries of both domestic and international tourism. As a result, the advice and consultation received from the chief executive officers and others on this Board relate to a wide range of tourism issues.

USTTA supported and participated in the Travel for Tomorrow Council, a partnership project bringing together industry and government officials to address general issues of concern relating to travel and tourism, i.e., preservation of our scenic wonders and historic area, conservation of energy and natural resources, and the assurance of individual mobility by all individuals, including our aged and handicapped. The thrust of the activities of this Council has been through the use of public service advertising, and the nation's media has provided outstanding support for this effort.

USTTA has also worked with the Society for the Advancement of Travel for the handicapped [SATH] in developing a special travel brochure for the handicapped traveler. During the week of October 14-24, 1985, USTTA, in cooperation with SATH, conducted a journalist familiarization tour for handicapped journalists from foreign countries, which dramatized handicapped tourism facilities in the United States.

That concludes my remarks. I would be happy to answer questions. Thank you.

Senator PRESSLER. We will call forth panel one, Ms. Priscilla R. Baker, Special Assistant to the Director of Tourism, U.S. Department of Interior, National Park Service; Mr. F. Dale Robertson, Associate Chief, National Forest Service; Dr. Jonathan P. Deason, Assistant for Water Resources, Office of Assistant Secretary of the Army; Mr. Arnold E. Petty, Deputy Director, Management Services, Bureau of Land Management, Department of the Interior, Washington, DC.

We will start with Ms. Baker. How are you?

STATEMENTS OF PRISCILLA R. BAKER, SPECIAL ASSISTANT TO THE DIRECTOR FOR TOURISM, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR; F. DALE ROBERTSON, ASSOCIATE CHIEF, NATIONAL FOREST SERVICE; DR. JONATHAN P. DEASON, ASSISTANT FOR WATER RESOURCES, OFFICE OF ASSISTANT SECRETARY OF THE ARMY; AND ARNOLD E. PETTY, DEPUTY DIRECTOR, MANAGEMENT SERVICES, BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

Ms. BAKER. I am very well, thank you, sir. It is a pleasure to be here, Mr. Chairman and Senator Ford.

The National Park Service is very pleased to have this opportunity to discuss our efforts of recent years to work with organizations involved in tourism in order that all involved parties may help to assure national park visitors of the most enjoyable, educational and safest as possible park-related travel. Our new tourism program, approximately 5 years old, does concern itself with national park-related travel, as we do not have legislative authority for the general promotion of domestic tourism.

You have requested information about the history of the National Park Service's involvement in tourism, the type of projects we have undertaken, funding and staffing for the program, and relationships with the domestic travel and tourism industry and other Executive branch organizations. Yellowstone National Park, the world's first national park, was established by the Congress in 1872 as a pleasuring ground for Americans and visitors from abroad.

Senator PRESSLER. Which park was that?

Ms. BAKER. Yellowstone National Park. It was established in 1872. That was before the National Park Service itself was established. The earliest parks were managed by the military until there were enough for the Federal Government to decide that a separate agency would be required to manage national park areas. The National Park Service was established in 1916 at the turn of the century when train travel was the mode and people stayed for several days in a park.

Senator PRESSLER. I did not quite hear that sentence. Start that sentence again.

Ms. BAKER. The National Park Service was established at the turn of the century, when train travel was the mode. There were no airlines at that time. People stayed for several days or longer in a national park; Yellowstone and other parks saw the construction of large and luxurious hotels designed to lure visitors to America's scenic attractions. In fact, the National Park Service in those early days worked very closely with the existing railroads to promote travel very aggressively to the then-existing national park areas and to encourage the development of these luxurious hotels in the remote natural national park areas.

As I mentioned earlier, in 1916 the National Park Service was established to protect resources and, I quote, "to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." The challenge of those words remains with us still.

Shortly after the establishment of the National Park Service, the agency's first director sent a report to the Secretary of the Interior in which he requested that funds be "provided for the establishment of a touring division in the service". In this 1918 report, Director Stephen Mather urged the Secretary of the Interior to encourage travel to the national parks in such a way as to provide educational experiences and to keep America's travel dollars at home.

Few people realize that our first director, Stephen Mather, who is known as one of the world's great conservationists, was first and foremost a businessman. He saw the national parks not only as places where important natural resources could be protected but also as an opportunity to contribute to America's economic health.

A nationwide domestic travel promotion function existed within the National Park Service from the late 1930s until 1949. This general function was transferred to the Commerce Department with the enactment of Public Law 93–193 on December 19, 1973. Our current tourism function, located for administrative purposes within the Office of the Director of the National Park Service, was established in 1981 and is limited to tourism concerns involving units of the national park system.

Since 1981, the Park Service's tourism office has engaged in a variety of projects related to park visitation patterns, strengthening the Park Service's public use data base, and improving the flow of current, accurate information to prospective park visitors. We have initiated unique marketing and tourism development projects with help from industry organizations. We have produced new published information about park-related travel opportunities.

We have participated in the Commerce Department's in-flight survey designed to determine the travel preferences and habits of overseas visitors, and we have engaged in a number of innovative special projects, such as our marketing study at Voyageurs National Park designed to help park managers and prospective visitors alike.

The program that we manage involves three full-time staff people, two professionals and a clerical. Its costs include $140,300 for salaries and benefits, and $26,900 for program expense that represents 12 percent of salary for a total of $167,200. Executives of approximately 30 private sector organizations and companies work with us on a continuing basis to provide advice, to participate in studies, and to sponsor the publication of new materials.

In addition, public sector organizations, such as State travel offices, participate in our projects on the same basis as do the private sector organizations. We maintain close ties with the Commerce Department's U.S. Travel and Tourism Administration, as you have heard earlier this morning, and we represent the Secretary of the Interior on the Tourism Policy Council that was established in 1982 as a forum for agencies involved in any way in tourism to exchange information.

Mr. Chairman, this concludes my formal statement. I would, of course, be happy to respond to any questions that you or the Committee may have.

Senator PRESSLER. Thank you very much. I shall next call on F. Dale Robertson, Associate Chief, National Forest Service.

Mr. ROBERTSON. Thank you, Mr. Chairman. I am pleased to be here today to talk about outdoor recreation in the national forests which are managed by the U.S. Forest Service and the Department of Agriculture.

The national forests are located throughout the nation in 44 States plus Puerto Rico. They comprise 191 million acres, which represents about 8 percent of the total land area in the United States, and they are widely dispersed throughout the Nation, with every American being within a day's drive or less. The national forests are managed for a variety of uses, including outdoor recreation, range, timber, minerals, watershed, and fish and wildlife. They provide a place for the American people to go and enjoy the outdoors with as much freedom and as few restrictions as possible.

One of the assets of the national forest is the large land base which accommodates a wide variety of recreational activities. The Forest Service is the single largest supplier of outdoor recreation in the United States, providing 42 percent of the recreation on Federal lands. Recreation use in 1984 was 227 million visitor days, and this is roughly equivalent to every American spending 12 hours recreating in the national forest.

Senator PRESSLER. Forty-two percent. That includes the Federal parks also?

Mr. ROBERTSON. Yes, all the outdoor recreation that occurs on Federal lands.

To give you some idea of the recreational opportunities in the national forests, there are 75,000 miles of fishing streams, thousands of lakes to fish and boat on, about 6,000 campgrounds and picnic areas, 100,000 miles of hiking trails, and, in addition, 300 sites such as ski areas, resorts, marinas, which are operated and maintained by the private sector through special use permits on the national forest land. There are also 32 million acres of wilderness, which represents about 17 percent of the national forest system.

Tourism and recreation are major industries surrounding many of our national forests with a strong economic relationship between forest recreation and tourism. The recreation budget for the Forest Service for fiscal year 1985 was about $110 million, with an additional $19 million for construction of trails and other recreation facilities. To offset these expenditures, we have collected about $28 million from recreation user fees and recreation special use fees, which represents about 25 percent of our operations and maintenance cost.

It has become increasingly expensive to provide the high quality public recreation facilities and services that Americans expect. We believe that the people who actually benefit that is, the users of the national forest recreation facilities should pay a higher percentage of the cost of maintaining these facilities through increased user fees. In June we presented our views on recreation user fees to the Senate Subcommittee on Public Lands, Reserve Water, and Resource Conservation.

As I said before, the national forests are within a day's drive of all Americans, yet many are unaware of these opportunities. Over the last several months, we have made a special effort to increase public awareness. This program is known as "Room to Roam" and encourage the public to come and visit and enjoy the recreational opportunities in the national forests.

It provides TV and radio public service announcements and print ads for magazines and newspaper. It was jointly prepared by the National Tour Association and the Forest Service as members of the Travel for Tomorrow Council. We believe that Room to Roam will increase the public awareness of recreational opportunities of the national forests and thereby increase opportunities for the private sector in providing complementary services.

In conclusion, Mr. Chairman, the national forests are a tremendous national asset for public recreation and enjoyment. We have developed a close working relationship with other Federal, State and local Government agencies and the private sector, including the travel and tourism industry, to help meet the public's outdoor recreation needs. Outdoor recreation is big business on the national forests and is one of the most important jobs that we do. We are anxious to work even closer with the tourist and travel industry to capitalize on the opportunities available in the national forests.

I, too, would be happy to answer any questions you may have.

[The following information was subsequently received for the record:]

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, DC, February 14, 1986.

Hon. LARRY PRESSLER,
U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: This responds to your February 7 letter to Associate Chief F. Dale Robertson, requesting answers to several questions about Terry Peak Ski Resort. You intend these questions and our answers be included in the record of the hearing on Promotion of Domestic Tourism conducted on November 19, 1985, by the Commerce Subcommittee on Business, Trade, and Tourism.

Enclosed with your letter is a situation statement and three questions. Our answers follow:

Question 1. Why has this group been unable to exchange for or purchase this small tract of Forest Service land. If the group is still trying to obtain the land, what is the current status of negotiations?

Answer. Forest Service files indicate that from April of 1983 through June of 1984, the situation concerning the ski area permittee's application to purchase this tract was complicated by lack of regulations implementing the Small Tracts Act and agency instructions for case processing. On August 8, 1984, Forest Supervisor James Mathers instructed that a new application in compliance with recently issued instructions from the Regional Office be obtained from the permittee. Such an application has not been received by Supervisor Mathers to date.

The Black Hills National Forest is prepared to receive and take prompt action on any proposal by the Black Hills Chairlift Corporation. We encourage them to meet with District Ranger David Blackford to discuss the application and attendant issues before submission on any proposal.

Question 2. After placing a "highest and best use" value on the selected National Forest Service land, what non-Federal, offered lands do you deem to be of comparable value in order to effectuate an exchange of lands? After placing a "highest and best use" value on the selected National Forest Service lands, what non-Federal, offered lands do you deem to be completely not comparable in value?

Answer. In the event the parcel under permit to Terry Peak Resort was classified as available for disposal under either the Small Tracts Act or general land exchange authorities, and a purchase or land exchange proposal was received from Terry Peak officials, then the Forest Service would undertake an appraisal of the parcel. The term "highest and best use" is an appraisal premise used to establish monetary worth of land or other property and the premise the Forest Service would use here in determining the value of the parcel selected by Terry Peak.

There are a number of parcels of privately-owned land located within the Black Hills National Forest which the Forest Service has classified as desirable for acquisition. Ranger Blackford could advise Terry Peak officials in that regard and provide some estimate of the value of those parcels. With that information, Terry Peak officials could seek to purchase lands with a similar value as the selected parcel and could then put together a land exchange offer.

As mentioned above under answer number 1, as a first step, Terry Peak officials need to meet with and discuss these matters with local Forest Service officials.

Question 3. How many other ski resorts are built totally or partially on Forest Service land? Is the problem I have just described common when a ski resort wants to build new facilities or expand its operations?

Answer. There are 170 "ski resorts" located wholly or partially on National Forest land. These resorts have invested well in excess of 1 billion dollars on National Forests lands in providing structures and improvements to facilitate skiing activities. Usually the Forest Service and ski resorts have been able to reach agreement on additional proposed facilities and improvements. With few exceptions, land ownership is not a problem.

It is our pleasure to provide you and the subcommittee with this additional information for inclusion in the record. Feel free to contact us further if we can be of further assistance.

GEORGE M. LEONARD,
Associate Deputy Chief.

Senator PRESSLER. Thank you. The next will be Dr. Jonathan P. Deason, Assistant for Water Resources, Office of the Assistant Secretary of the Army.

Dr. DEASON. Thank you, Mr. Chairman. With your permission, I will hit the highlights of my statement and submit the full statement for the record.

The U.S. Army Corps of Engineers adminsters the second-largest Federal outdoor recreation program. Over 450 water resource development projects located in 42 States host over 480 million visitor days of use annually. Eighty percent of Corps projects are within 50 miles of major metropolitan areas and 94 percent are within a 2-hour drive. On an average summer weekend many Corps projects grow to the size of small cities, complete with many of the difficulties associated with urban areas.

Since the early 1970s, the recreation program of the Corps of Engineers has undergone significant growth. Between the years 1970 and 1984, visitation increased by 75 percent, while the total number of projects grew by 23 percent. During this same period, the amount of revenue collected grew from $200,000 to $10.5 million annually. During this period of growth, visitors to Corps projects became more sophisticated in their approach to outdoor recreation, yet the basic desire of visitors remains unchanged. They still seek to add diversity to their lives and to spend time outdoors with their families.

Generally, recreation facilities at Corps prjects are designed to accommodate anticipated demands within each region of the country. On many projects, the Corps has found that direct promotion has been largely unnecessary. Knowledge of upcoming recreational opportunities from new projects usually becomes widespread during construction of the projects.

Where we have been involved in promotion, however, we have found that information distribution outside the State or region is perhaps the weakest promotional link at the present time. Corps projects are included in several commercially produced guides to camping opportunities. In addition, unique features of specific projects frequently are reported in specialty publications. The Army's recreation cost sharing program with the State of South Dakota is an example of this.

Capitalizing on the excellent yet often overlooked natural resource base in South Dakota, the Corps and the State jointly devised a cost-sharing development program. The effort provided 50-50 cost sharing for improvement of recreational facilities at Corps South Dakota projects and for the development of a salmon fishery.

News of the program, including its early successes, was reported in a number of popular national outdoor magazines. South Dakota officials estimate that the return for the total $8.8 million investment will bring 400,000 new visitors to the State and produce $22.7 million of new revenue annually. And I can say that extension of that program was just approved last week.

The Department of the Army presently is examining new ways in which direct promotion may help to solve management problems that are increasing at some Corps recreational facilities and at the same time better serve our visitors. Examples of such efforts to improve the distribution of demand include direct promotion of reasonable alternatives to the most popular sites, differential charging, and establishing mechanisms to allow visitors to make reservations for camp sites and other facilities.

We believe these techniques have the potential of bolstering visitation at undeveloped sites, reducing pressure on the most popular sites, and shifting use more evenly throughout the week. We are optimistic that these approaches, which are new to the Corps recreation program, will enable the Department of the Army to improve significantly its service to the public, as well as to contribute to the solution of management difficulties associated with the growing demand for Corps recreation areas.

Mr. Chairman, that concludes my statement.

[The statement follows:]

STATEMENT OF DR. JONATHAN P. DEASON, ASSISTANT FOR WATER RESOURCES, OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS), DEPARTMENT OF THE ARMY

Mr. Chairman and members of the subcommittee, I am pleased to appear before your subcommittee to discuss the public recreation programs of the Army Corps of Engineers, with particular emphasis on promotion of project visitation.

PROGRAM SCOPE

The U.S. Army Corps of Engineers administers the second largest Federal outdoor recreation program. Over 450 corps water resource development projects, located in 42 States, host over 480 million visitor days of use annually. Although the 11 million acres of corps projects comprise only 1 percent of the total Federal recreation land base, these projects accommodate 27 percent of recreation visitation on Federal lands. Visitors are attracted to these projects by the unique experiences that water recreational resources offer. They come to fish, boat, water ski, sail, swim, sightsee, or to use the lands that surround corps lakes.

While most Federal lands that provide public recreation opportunities are remote from major population centers, many corps projects are in convenient locations. In fact, 80 percent are within 50 miles of major metropolitan areas, and 94 percent are within a 2-hour drive.

On an average summer weekend, many corps projects grow to the size of small cities, complete with many of the difficulties associated with urban areas. These rapid changes must be managed in a manner that is satisfactory to our neighbors, recognizing both the positive and negative impacts corps projects impose on surrounding communities.

Over the years the corps has developed a flexible management approach. Although there are more than 4,000 separate recreation areas at corps projects, about 2,000 are managed by entities other than the Corps of Engineers. The corps has provided about 1,350 outgrants to States or county governments to assure that recreational opportunities are specifically tuned to the needs of local populations. In addition, about 650 commercial concessions operate to provide those services which are most reasonably offered by the private sector. The areas that the corps manages are operated and maintained with a strong reliance on private service contractors. Over 50 percent of operation and maintenance activities at corps operated recreation areas are accomplished through contractor services ranging from janitorial and grounds care, to the operation of water treatment facilities.

CURRENT TRENDS

Since the early 1970's the recreation program of the Corps of Engineers has undergone significant growth. Between the years 1970 and 1984, visitation increased by 75 percent, while the total number of projects grew by 23 percent. During this same period the amount of revenue collected grew from $200,000 to $10,500,000 annually.

During this period of growth, visitors to corps projects became more sophisticated in their approach to outdoor recreation. We have observed a shift in camping preferences, for example. The tent or simple tent trailer largely has given way to motor homes and self contained trailers. Of course, these new units require different services. Roads have been improved and electrical service has been expanded to meet these new demands. Recreational equipment that visitors bring with them has also changed. Hang gliders, self propelled water skis, sailboards, bicycles and increasingly complex fishing boats are placing new demands on our facilities. Today we see continued growth in the diversity of recreational equipment brought by recreationists, yet the basic desire of visitors remain unchanged. They still seek to add diversity to their lives and to spend time outdoors with their families.

PROMOTION AND MANAGEMENT

Let me turn for a moment to the specific issue of promotion of recreation opportunities at corps projects. Generally, recreation facilities at corps projects are designed to accommodate anticipated demands within each region of the country. On many projects, the corps has found that direct promotion has been largely unnecessary. Knowledge of upcoming recreational opportunities from new projects usually becomes widespread during construction of the projects. Information is spread primarily by the mass media, as well as by corps distribution of information brochures at appropriate locations. Corps personnel work in close cooperation with State and local officials to provide information concerning the availability of recreation opportunities and ways of using the facilities safely.

Information distribution outside of the State or region is perhaps the weakest promotional link at the present time. Corps projects are included in several commercially produced guides to camping opportunities. In addition, unique features of specific projects are frequently reported in specialty publications. Army's recreation cost sharing program with the State of South Dakota is such an example. Capitalizing on the excellent, yet often overlooked, national resource base in South Dakota, the corps and the State jointly devised a cost sharing development program. The effort provided 50-50 cost sharing for improvement of recreational facilities at corps South Dakota projects and for the development of a salmon fishery. News of the program, including its early successes, was reported in a number of popular national outdoor magazines. South Dakota officials estimate that the return for the total $8.8 million investment will bring 400,000 new visitors to the State and produce $422.7 million on new revenue annually.

The Department of the Army presently is examining new ways in which direct promotion may help to solve management problems that are increasing at some corps recreational facilities and at the same time better serve our visitors. The most popular corps projects at times suffer from success. Crowding and possible resource degradation may be reduced by efforts to better distribute demand temporally and geographically.

Examples of such efforts to improve the distribution of demand include direct promotion of reasonable alternatives to the most popular sites, differential charging, and establishing mechanisms to allow visitors to make reservations for campsites and other facilities. We believe these techniques have the potential of bolstering visitation at undeveloped sites, reducing pressure on the most popular sites, and shifting use more evenly throughout the weeks. We are optimistic that these approaches, which are new to the corps recreation program will enable the Department of the Army to improve significantly its service to the public, as well as to contribute to the solution of management difficulties associated with the growing demand for corps recreation areas.

Senator PRESSLER. Thank you very much and thank you for your references to my home State. It always helps Senators to bring things into focus to know how the programs are going back home.

Mr. Arnold E. Petty, Deputy Director, Management Services, Bureau of Land Management.

Mr. PETTY. Thank you, Mr. Chairman. Unfortunately, the Bureau of Land Management has very little acreage in South Dakota and none in Kentucky.

Senator FORD. That makes it a lot easier for you to work with other States.

Mr. PETTY. I can very well appreciate the beautiful leaves in Kentucky since I come from West Virginia. The land that BLM administers has very few leaves, unfortunately, but of the 700 million acres that the Federal Government administers, the Bureau of Land Management has about 300 million of those acres. We have no formal program on tourism although we have almost unlimited opportunities.

We have some 368,000 acres of designated wilderness. We have 23 million acres currently under wilderness study. We have some 270,000 miles of streams, 5 million acres of lakes, some 7,000 small reservoirs. The recreational opportunities that the Bureau of Land Management has are primarily for those outdoorsmen who like to camp, to hike, who are looking for solitude, who enjoy offroad vehicles.

Next week we will have one of the largest motorcycle races in this country, a 110-mile race from Barstow, CA, to Las Vegas. It is a sight to see some thousands of motorcycles tearing across the country at one time. It attracts literally thousands of people.

We have whitewater river trips; we have excellent hunting and fishing. In 1984 some 74 million hours were devoted to hunting on public lands. We have very few developed sites. In all of this acreage we have only about 377 developed sites. They are very small.

Senator PRESSLER. By "developed sites," what do you mean?

Mr. PETTY. That would be where we have a space for picnic tables and some swimming, but they are mostly a place for people to camp, park their trailers and stay overnight. We get a lot of the overflow from the Park Service.

We are particularly pleased with the Secretary's program now to "Take Pride in America," which was spoken of earlier here today. The objective of that program is to help us make people aware of their responsibility to the public lands. They own this land. And if we can do that we have had some success with it in the past with programs on a Bureau level we believe we can cut our costs down by making people more responsible, more aware of the fact that they own this land and it is up to them to help maintain it.

Mr. Chairman, with that I would ask that my full statement be entered in the record and I will be happy to answer any questions.

[The statement follows:]

STATEMENT OF ARNOLD E. PETTY, DEPUTY DIRECTOR, MANAGEMENT SERVICES, BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

I appreciate the opportunity to appear before the subcommittee today to discuss Bureau of Land Management activities that enhance domestic tourism.

The Bureau of Land Management [BLM] administers about 300 million acres of lands and waters, primarily in the western United States and Alaska. These lands and waters are generally open to the public for recreational use, and they receive more than 60 million visits annually.

The BLM has no formal or active program for the promotion of tourism, and few developed facilities to accommodate tourists. However, we do inform the public about public land areas and facilities open to public use, primarily through brochures and pamphlets that are available directly from our various offices and through the Government Printing Office.

In addition, we have visitor centers and audio/visual displays at several nationally significant sites. Some of these that are popular with the public include: Red Rock Canyon near Las Vegas, Nevada; Rio Grande Gorge in New Mexico; the Barstow Way Station in the California Desert; Rogue River Ranch in southeastern Oregon; and Fort Egbert in Alaska. Through these centers, we provide interpretative information and answer public inquiries. Although the number of developed facilities on the public lands is quite limited, these lands are prized by many as places that offer solitude and solace from the pace of our urban centers, and many opportunities for outdoor recreational pursuits.

For those seeking the serenity of isolation while thrilling to a roller coaster ride down a white river, BLM administers portions of 14 rivers, all of which are part of the National Wild and Scenic Rivers System. They range from the box canyon of the Rio Grande in northern New Mexico to the mighty Rogue along Oregon's southern coast; and from the violent chutes of the Green River in northeastern Utah to the more gentle Missouri in north-central Montana. Licensed outfitters work with BLM officials to assure a quality experience for visitors using these rivers.

Further, more than 368,000 acres in designated Wilderness Areas plus nearly 25 million acres under wilderness study, and four National Scenic or National Historic Trails are under BLM administration. Backpacking is popular in many of these wild areas and along these trails. The Iditarod National Historic Trail in Alaska, made famous in 1925 when dog teams rushed life saving diphtheria vaccine 674 miles to Nome in a record 127 hours is popular with dog team drivers and snowmobile enthusiasts.

The Iditarod Trail is also used for one of the most grueling competitions held in the world today, a dog sled race covering hundreds of miles of wild, blizzard-swept terrain.

There are several other areas, particularly in the California Desert, where competitive off-road-vehicle or motorcycle races attract many competitors and spectators. Next week, on Thanksgiving Day, the well known, 110-mile Barstow to Las Vegas Motorcyle Race will be run.

Other locations that interest visitors include paleontological sites such as the recently designated Fossil Forest in New Mexico, the Cleveland-Lloyd Dinosaur Quarry in Utah, and the Hagerman Fauna Site in Idaho. Many historic or archeological sites on the public lands also attract tourists. Examples of these are cliff dwellings of the Anasazi culture that once thrived in the southwest, ancient intaglios or huge land drawings, historic old mining camps and ghost towns, pony express stations, the still-existing ruts of the Oregon Trail, and numerous other examples of creatures and cultures that once existed in North America. Such areas generally attract history buffs and those with scientific curiosity.

The Bureau's public lands provide natural homes for the frequently referred to "living legends," the Nation's wild horses and burros. In addition, we administer three officially designated Wild Horse Ranges that attract visitors. Related to this, although not tied directly to the public lands, are the Wild Horse and Burro Day celebrations at our Adopt-A-Horse centers, particularly in the East. Approximately 15,000 people, primarily tourists, attended such a celebration in Lewisberry, Pennsylvania in September.

We facilitate and also control visitation and use of the public lands through a special recreation permit program. In addition to the competitive events mentioned earlier, special recreation uses that are authorized through permits include helicopter skiing and white water river trips. Permits issued to outfitters and guides enable many people to use the public lands and to participate in experiences that would otherwise not be available to them.

Many sportsmen use the public lands as places where they can hunt and fish without encountering "No Trespassing" signs. The public lands contain some 20 percent of the Nation's big game animals including 50 percent of the moose, 65 percent of the mule deer, 45 percent of the antelope, and nearly all of the caribou, brown bears and desert bighorn sheep. And considering the almost countless varieties of small game, upland game birds, and waterfowl that exist on the public lands, it is apparent why they have become a real drawing card for our citizen hunters as well as those from many other lands. In 1984, hunters spent a total of nearly 74 million hours on these lands.

BLM-administered public lands also include some 270,000 miles of streams, five million acres of lakes and more than 7,000 small reservoirs, almost all of which offer sport fishing opportunities. For example, the public lands in Alaska draw international sportsmen to rivers and lakes teeming with trout and salmon, and to isolated mountain ranges for the unique, snow-white Dall sheep, or to coastal thickets that harbor the largest bears on earth. Further, more than half the West Coast catch of salmon and steelhead trout comes from spawning areas in public lands streams.

BLM-administered public lands beckon to the adventurous—they provide places where we can shed our everyday constraints and return to a simpler, more basic existence.

Finally, it should be noted that the Department of the Interior assists the domestic tourist industry in ways that may not be apparent to the casual observer. In particular, BLM is primarily responsible for the development of the Nation's onshore energy resources, while the Minerals Management Service oversees the development of our offshore resources. The development efforts insure the availability of the oil and gas that is critical to the tourist industry. In fact, the most significant decreases in tourism occurred during 1973 to 1974, and 1979 to 1980, both of which were periods of oil supply disruption. The continued development of the nation's onshore and offshore resources will help preclude similar future impacts on the tourism industry and benefit the Nation as a whole.

This concludes my statement. I would be happy to respond to any questions on this subjects.

Senator PRESSLER. Thank you very much.

I do have a number of questions. I might go back to the Forest Service and ask that you submit either for the record or here the numbers for South Dakota. Incidentally, there are two excellent ski areas in the Black Hills of South Dakota where we usually spend Christmas and New Year's Terry Peak, which goes up to 8,000 or 9,000 feet, which I believe are forest lands in part, and Deer Mountain, which I think is forest lands in full.

What criterion do you use to determine when to cut trees to use them for ski areas and what protection of the land and the environment do you use in making these judgments? I know there is a lot of room out there to expand skiing and there are always proposals to do so, as there are in many other areas. What are your criterion that you use and how does it work if somebody applies to build a ski area in a national forest?

Mr. ROBERTSON. Well, the first thing we look at is demand for skiing and whether it would be a viable project. Once that is determined, we look at the suitability of the land and whether it is a suitable area for a ski area development and basically look at the tradeoffs or how a ski area would blend in with the other resources of the area and make that decision.

Incidentally, Mr. Chairman, I do have the statistics on South Dakota and on the Black Hills National Forest we have 2.5 million——

Senator PRESSLER. Could you speak up a little bit?

Mr. ROBERTSON. Okay. In the Black Hills National Forest in South Dakota we have 2.5 million visitor days of recreation use a year.

Senator PRESSLER. Two and a half million visitor days. What does that mean?

Mr. ROBERTSON. A visitor day means that a person spends 12 hours in the national forest. That might be one person spending 12 hours or 12 people spending one hour.

Senator PRESSLER. Any subsequent breakdown you have of that, and do not go to any expense to get it, but if you have it on how much of that is skiing, how much of it is hiking, how much of it is fishing, we would very much appreciate that.

Mr. ROBERTSON. I have that broken down in about 12 categories and I would be happy to provide that for the record.

[The information follows:]

Table 37—State summary of total recreation use on National Forest System lands by activity—fiscal year 1984

State, 1/ Territory, or Commonwealth	Camping	Picnicking	Travel (mechanized)	Water sports	Winter sports	Fishing	Hunting	Hiking & mountain climbing	Horseback riding	Recreation cabin use	Nature study	Sightseeing	Visitor information service users	Other developed site use	Total use	State, 1/ Territory, or Commonwealth
	1,000 RVD's 2/															
Alabama	192.2	59.1	211.8	145.9	0	61.1	236.7	63.9	9.4	0	29.6	17.7	22.9	3.4	1,053.7	Alabama
Alaska	275.2	49.7	343.5	1,112.9	106.1	390.0	149.6	230.0	2.9	101.5	79.7	546.2	97.3	35.0	3,519.6	Alaska
Arizona	3,776.2	671.8	6,287.0	1,137.1	121.5	580.8	590.6	625.9	251.7	280.1	545.9	513.6	269.3	725.2	16,376.7	Arizona
Arkansas	449.4	102.6	376.6	260.5	0	311.6	466.4	102.1	30.1	7.6	54.2	25.5	34.4	30.1	2,251.3	Arkansas
California	14,478.9	1,460.1	14,104.8	4,060.3	3,063.2	2,943.1	1,157.5	2,771.8	585.1	3,205.8	1,120.3	2,015.0	661.0	3,849.4	55,476.3	California
Colorado	4,333.5	424.1	4,312.9	214.2	4,459.2	1,317.6	1,045.6	1,513.7	428.6	221.9	490.1	1,212.1	189.1	572.8	20,734.9	Colorado
Florida	1,035.6	262.4	261.8	350.4	0	135.6	189.6	39.5	24.7	132.0	46.3	32.8	33.4	85.9	2,630.0	Florida
Georgia	490.7	84.7	505.2	163.0	3.3	225.9	312.4	197.9	29.5	28.5	56.0	117.0	20.0	41.5	2,275.6	Georgia
Idaho	2,753.0	335.5	2,280.6	577.9	612.3	845.2	817.6	437.1	267.4	255.0	615.0	275.7	134.5	299.1	10,505.9	Idaho
Illinois	102.0	42.2	160.3	60.0	.1	39.3	116.5	83.1	50.3	0	42.1	88.1	11.8	5.6	801.4	Illinois
Indiana	127.3	17.7	40.6	45.9	0	53.0	43.7	18.1	27.6	0	8.7	1.3	4.8	0	388.7	Indiana
Kansas	1.1	2.6	8.2	0	.1	.5	2.4	.5	.2	0	.8	0	0	.1	16.5	Kansas
Kentucky	352.6	110.2	352.6	463.1	.9	229.5	150.0	189.9	28.3	11.2	51.5	93.9	33.3	23.4	2,090.4	Kentucky
Louisiana	102.7	39.6	72.1	34.4	0	46.0	102.7	20.4	4.9	9.8	17.7	2.9	9.9	17.1	480.2	Louisiana
Maine	10.9	2.2	1.8	2.5	.8	2.7	7.4	10.5	0	0	2.4	3.3	1.1	6.0	51.6	Maine
Michigan	957.6	89.5	1,542.5	345.4	131.0	440.3	640.1	117.7	22.0	74.9	160.4	84.3	29.8	17.0	4,652.5	Michigan
Minnesota	1,298.7	47.1	544.1	751.8	104.8	667.7	291.9	70.4	7.3	204.4	112.5	18.2	37.8	145.8	4,302.5	Minnesota
Mississippi	174.7	43.8	315.8	83.3	0	71.4	429.0	65.0	16.5	0	23.1	7.5	14.8	1.1	1,246.0	Mississippi
Missouri	343.0	93.7	392.7	246.6	.1	85.9	283.8	77.4	27.1	0	78.2	46.2	12.4	19.8	1,706.9	Missouri
Montana	1,720.8	299.7	2,257.2	320.4	586.5	693.6	958.5	619.3	391.5	209.2	538.2	330.6	224.3	238.3	9,388.1	Montana
Nebraska	23.8	13.7	18.0	4.3	.2	5.8	17.8	6.6	5.8	0	13.8	.3	9.4	9.9	129.4	Nebraska
Nevada	432.6	155.8	309.2	119.5	125.2	106.0	123.1	98.8	47.1	25.7	105.9	54.8	205.2	150.2	2,059.1	Nevada
New Hampshire	540.2	51.8	372.3	32.0	431.8	21.5	34.1	448.8	.2	0	12.8	243.9	22.5	74.3	2,286.2	New Hampshire
New Mexico	1,499.4	532.5	1,044.4	146.6	519.2	358.8	549.2	512.1	139.5	90.1	458.7	232.1	163.4	170.1	6,416.1	New Mexico
New York	7.9	1.9	.8	0	.8	1.3	5.3	1.5	1.2	0	1.6	0	0	0	22.3	New York
North Carolina	912.4	175.1	940.3	266.1	1.6	284.6	469.4	496.1	47.4	6.7	92.0	273.0	97.0	24.0	4,085.7	North Carolina
North Dakota	13.6	236.4	18.8	2.5	1.3	4.1	60.6	2.4	3.7	0	3.1	9.2	1.8	0	357.5	North Dakota
Ohio	34.7	28.4	87.1	19.9	.3	24.4	98.6	34.5	14.1	0	17.5	4.2	10.6	2.0	376.3	Ohio
Oklahoma	55.7	27.2	141.1	27.9	0	20.5	57.9	17.5	3.5	0	7.8	30.1	9.4	.2	398.8	Oklahoma
Oregon	6,013.1	737.1	4,043.5	1,118.2	953.4	1,152.0	1,290.2	996.6	245.3	380.8	1,002.3	988.9	406.1	812.0	20,139.5	Oregon
Pennsylvania	425.1	29.1	353.2	132.1	5.4	263.2	462.9	85.5	5.3	48.8	51.5	117.1	12.0	9.6	2,000.8	Pennsylvania
Puerto Rico	13.5	200.1	35.8	69.0	0	0	0	97.2	0	3.5	12.3	24.8	45.8	28.2	530.2	Puerto Rico
South Carolina	178.9	54.7	268.9	76.5	0	68.3	203.3	41.9	21.7	0	37.9	23.8	18.2	10.0	1,004.1	South Carolina
South Dakota	148.3	47.3	1,570.0	56.5	38.5	68.5	158.8	63.6	16.7	80.8	50.3	122.8	88.4	45.6	2,556.1	South Dakota
Tennessee	709.5	243.5	507.7	290.3	.5	172.6	244.8	125.5	26.2	39.1	31.4	51.1	25.2	57.8	2,525.2	Tennessee
Texas	426.3	53.1	150.6	150.5	0	870.0	188.0	30.3	7.3	0	16.3	36.7	15.4	20.7	1,965.2	Texas
Utah	4,277.2	586.5	2,673.4	352.1	901.2	1,169.7	817.0	773.9	293.8	198.7	345.8	354.0	126.0	751.8	13,621.1	Utah
Vermont	43.8	12.9	104.6	12.1	309.5	5.1	30.8	14.9	1.3	.3	5.1	45.6	3.0	20.2	609.2	Vermont
Virginia	711.8	186.6	604.5	169.9	4.8	277.4	638.2	260.1	80.2	0	137.9	370.9	36.2	37.9	3,516.4	Virginia
Washington	3,728.5	364.3	3,146.1	301.5	1,076.1	620.4	853.3	783.0	174.9	407.2	448.2	955.6	447.9	679.8	13,986.8	Washington
West Virginia	405.3	42.9	192.9	35.2	2.2	143.3	280.7	67.0	4.0	.2	25.0	114.0	21.5	36.2	1,370.4	West Virginia
Wisconsin	440.6	29.0	535.3	157.0	21.0	390.3	215.2	33.3	3.6	15.8	66.9	7.6	5.4	7.9	1,928.9	Wisconsin
Wyoming	1,435.7	150.3	1,237.8	157.9	317.5	435.0	453.1	326.2	197.5	180.1	175.5	265.8	60.0	327.4	5,719.8	Wyoming
Total	55,454.0	8,198.5	52,728.4	14,073.2	13,900.4	15,603.6	15,244.3	12,571.2	3,545.4	6,219.7	7,192.3	9,758.2	3,672.3	9,392.4	227,553.9	Total

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1/ States not listed have no Forest Service recreation program.

2/ One recreation visitor-day (RVD) is the recreation use of National Forest land or water that aggregates 12 visitor-hours. This may entail 1 person for 12 hours, 12 persons for 1 hour, or any equivalent combination of individual or group use, either continuous or intermittent.

Senator PRESSLER. I would like to ask Priscilla Baker, is it true that most of our popular parks have been closed during peak times because of overcrowding?

Ms. BAKER. No, sir. We have not closed areas because of overcrowding. What we have tried to do in sections of national parks during specific times of the year when overcrowding has occurred is to divert traffic from the very busiest sections into other sections of the same park.

At Yosemite Valley, for example, we do have a situation now where during the 3-day summer holiday weekends the Yosemite Valley section of Yosemite National Park becomes so crowded that we have had traffic gridlocks that have lasted as long as 3 hours in the Valley. What we are trying to do during that kind of time of the peak season, the holiday weekend kind of time, is to limit entrance into the Valley to those who have reservations in the overnight accommodations that are located in the Valley and to divert other traffic, day-use traffic, to other sections of the park.

The park is a very large one so that anyone who wants to come and have a park experience at Yosemite may do so at any time of the year. We are, however, trying to alleviate that traffic congestion in the Valley.

Senator PRESSLER. Who determines when a park is full or crowded?

Ms. BAKER. The superintendent of the affected park.

Senator PRESSLER. And what is his criteria?

Ms. BAKER. There are no established criteria to determine overcrowding because each park and each section within a park is unique. It will be the superintendent's determination, based on the observations of the staff assigned to various sections of an individual park. Where we feel that the safety of individuals may be threatened or where we feel that visitors may not be able to leave their automobiles because they are locked in traffic and cannot get out to see the park, we know there is a problem.

Senator PRESSLER. When the 1986 tourist season begins, does the Park Service have any specific plans or different plans for dealing with overcrowding?

Ms. BAKER. Not a Service-wide policy to deal with overcrowding, although I think it fair to say most of us in the Washington office of the National Park Service, as well as the managers of the individual parks, are devoting a great deal of thought to this problem.

We are making a general effort, and have for the last few years been making a general effort, to draw attention to the less well known national park areas that tend to be the newer national park areas in our system in order that Americans and visitors from abroad will be aware that we manage 337 wonderful travel destinations we call them national park areas located in every State of the Union except one, and in most of the American territories. Visitors who want to enjoy national park areas during the peak-season times of the year need not all head for the same national parks during those times of the year.

Senator PRESSLER. You probably do not have the figures with you, but if we could get for the record or if you have them, are any of South Dakota's four parks considered overcrowded. And also in terms of the National Forest Service any statistics you can give us on potential overcrowding in the ski areas, if that is a consideration, or does the Forest Service ever have to deal with the overcrowding issue?

Mr. ROBERTSON. Occasionally. Our philosophy on recreation use in the national forest is that people should have the freedom to enjoy it and use it with the least restrictions possible, and the only time we get into restrictions are where public safety is a problem or it just gets so crowded that a person cannot enjoy their visit to the national forest. It is very limited to certain areas, like there have been certain wild and scenic rivers where we have so many boaters that we have to restrict the number of boaters.

We have not put restrictions, as far as I know, on the ski areas themselves, although they are all managed by the private sector and there have been occasions where the operators of the ski areas just got saturated and had to reduce the number of people coming in.

But I would like to point out that the days we have real problems in certain areas are usually very heavy weekends. As a normal rule, we do not have a serious overcrowding problem in the national forest.

Ms. BAKER. Senator Pressler, I think I can answer your question about South Dakota parks and overcrowding now. For the most part, we do not have an overcrowding problem in South Dakota's national park areas, except at certain times the parking lot at Mount Rushmore does become full. And we have a system there that we have been using for some years where rangers stationed in that parking lot during very busy times of the year, when the lot becomes very full, will begin to hand out passes with specific times of day on them.

The people who receive these passes can drive a little further south and, as you know, if you go a little bit down that road south and turn right you are at Jewel Cave, which is another of our national park areas—a perfectly beautiful one—and we encourage people to leave the Mount Rushmore area, go to Jewel Cave and see that park and then return at their assigned times. Then, they are guaranteed a place in the Mount Rushmore parking lot and they can enjoy their visit at that park, as well.

But those parks are close enough together so that we encourage visits to both at those very busy times.

Senator PRESSLER. Well, I very much appreciate your knowledge because I have worked a lot in that parking lot. There is a proposal to get a bus down in Keystone to bring some people up to lessen the problem there, but during peak times that is a problem.

Let me ask you this. Are park managers spending too much of their time patroling crowds, directing traffic and enforcing laws so that little of their time is spent on effective management of resources? Do you think this is one of the major problems of overcrowding and environmental abuse?

Ms. BAKER. No, sir, I do not. I think the park superintendents do a masterful job—or mistressful job, depending on the park—of managing the resources that are entrusted to their care and assuring the visitors to those parks the safest and most enjoyable visits possible.

Senator PRESSLER. Should the National Park Service be more involved in managing the areas in urban environments? I know in the Washington area we have Rock Creek Park and the Mall. In Pennsylvania I have toured the Liberty Park, which is a national park, I believe. Of course, Washington, DC has more national parks probably than any other city, correct me if I am wrong there, is that correct?

Ms. BAKER. Yes, you are correct.

Senator PRESSLER. But what other major urban parks are there that I should know about? Maybe you cannot list them.

Ms. BAKER. We have a number of parks located in urban areas. These are areas that the administrations over the years and Members of Congress have determined are worthy of national protection. That is why they are in the national park system. I could mention a few.

You have already indicated, as is true, that Washington, DC has more individual sites that are protected by the National Park Service than does any other city in the United States. The national monuments that we see around us every day as we drive back and forth to work and that so many visitors enjoy are here in the Nation's capital. But in some of the other major cities I can mention a few.

In San Francisco, the Golden Gate National Recreation Area, and as part of that park we manage Alcatraz, the former Federal prison.

Senator PRESSLER. A recreation area is a form of a park?

Ms. BAKER. That is a national park area. We talk in terms of national park areas. There are 337 of those. Some of them are called national parks; some of them are called national recreation areas, national monuments, national historic sites. There are various designations, depending upon the character of the area. But we feel very strongly that each of these areas will and should receive the same attention as we administer the national park system. So they are on a par.

But as far as urban areas are concerned, Golden Gate National Recreation Area in San Francisco is one that is very heavily visited, very widely used.

Senator PRESSLER. And that has Alcatraz in it, does it?

Ms. BAKER. I beg your pardon?

Senator PRESSLER. That is the one that has Alcatraz in it, the Golden Gate Recreation Area?

Ms. BAKER. The Golden Gate National Recreation Area.

There is the Gateway National Recreation Area on the opposite coast, in the environs of New York City. There is an interesting one, Cuyahoga Valley National Recreation Area, which is located between Cleveland and Akron, OH, in the Cuyahoga Valley of Ohio, which is another urban area.

Senator PRESSLER. The George Washington Parkway, what does that fall under?

Ms. BAKER. That is a national park area.

Senator PRESSLER. This is the area from the airport driving in to Washington since Lady Bird Johnson; is that correct?

Ms. BAKER. That is correct.

Senator PRESSLER. Or was it before?

Ms. BAKER. Was it before? That is part of the GW Parkway that you come into the city on, until you get to the bridge. When you start crossing the bridge, you are out of the national park.

Senator PRESSLER. Was there a major change made it it in 1964 or 1966? There was not a change in status of it; it was just an upgrading? Or was it always a part of the national park system?

Ms. BAKER. The GW Memorial Parkway was established in 1930. Its boundaries were changed in 1931, 1972, and 1978.

Senator PRESSLER. Are there currently units in the park system that should be turned over to State Governments or to the private sector?

Ms. BAKER. That question has been debated from time to time, Mr. Chairman, and it has been the best thinking of administrations and Members of Congress over the years that the park system is appropriate as it now stands. In the future, there may be some additions to the park system as you here on the Hill determine they are necessary.

Senator PRESSLER. Mr. Robertson, do you think that user fees should be across the board or do you feel each national forest region should designate its own fees?

Mr. ROBERTSON. Well, we believe there should be a national framework for setting fees but that they should be tailored according to the services that are provided at the local level.

Senator PRESSLER. And these fees are it is pretty favorable to going to the movies or something? Give me the range of fees currently that you might pay, for example if you wanted to go hunting in a national forest area and you paid a user fee. What might that be?

Mr. ROBERTSON. Well, there is no fee for hunting or fishing on the national forests. All of our fees that we now charge are for primarily campgrounds. The average rate is $5; the range is from $2 to $12.

I might add, Mr. Chairman, there is no plan to charge for hunting or fishing in the national forest either.

Senator FORD. But you do have to have a license.

Mr. ROBERTSON. You have to have a State license, but not a permit from the national forest.

Senator PRESSLER. Should the Federal Government get some revenue out of that hunting and fishing or is that such a sacrosanct thing that it would cause a rebellion? There is a great deal of Federal expense, I suppose, to maintain good conditions for hunting and fishing. What has been the position of the Forest Service or what has been the position of OMB, first of all?

Mr. ROBERTSON. Okay. The position that OMB, and the Director just sent a letter up to the Congress a few weeks ago, basically was that we ought to be charging user fees for specifically developed sites where we are providing service as well as some heavily used recreation areas, but not general multiple use land where just general recreation occurs, like hunting or fishing.

Senator PRESSLER. Why is that? Why wouldn't somebody who is going to go hunting pay a user fee but someone else who is going to do something else pays a user fee? What is the distinction?

Mr. ROBERTSON. Basically the reason for concentrating the user fees in heavily used recreation areas is that is where the Federal Government, any of its land management agencies, make a special effort and spend funds to provide recreation facilities or services.

There was a suggestion back early that we have a general recreation fee for just entering the national forest and using it, whether it was the hunting or fishing, but, as you pointed out, that was a very controversial item and it was difficult to tie back the services that a person is getting with an expenditure that the Federal Government is making to provide that service.

So that is the reason that we have kind of pulled back to talk about just developed sites where we are providing facilities and heavily used recreation areas.

Senator PRESSLER. Go ahead, and then I have some additional questions. I am going to yield to Senator Ford here. I have used up my time and I will ask some more later. Go ahead.

Mr. PETTY. In the area of hunting, I think the reason that we would not charge a fee for hunting is that the State owns the animals. The Federal Government manages the habitat. Except in those few cases where the Congress has done us the favor, such as giving us the wild horses to take care of, the State owns the rest of them. We would love to give the wild horses to the States, too.

Senator PRESSLER. Why is that, because the States can manage them better?

Mr. PETTY. We just cannot afford them.

Senator FORD. We will get to that in Energy, Mr. Chairman. You will not have to worry too much about that.

Senator PRESSLER. Go ahead, Senator. I have some more questions, but go ahead.

Senator FORD. Well, thank you, Mr. Chairman.

Let me ask the Department of Interior do you all have the authority over rehabilitating the historical or certified historial sites?

Ms. BAKER. Yes, sir.

Senator FORD. What kind of input did you have, or did your department have, about recommending your position as it related to the tax proposal of eliminating that credit? I know that you are here representing the administration and you are going to be a good soldier and we all understand that, but can you give me some kind of little hint as to how you recommended to the Treasury on that?

Ms. BAKER. My function within the National Park Service is to handle matters related to tourism. I am not in the section of the National Park Service that deals with tax credits for rehabilitation of historic buildings. However, I can tell you that the National Park Service has seen a tremendous amount of interest on the part of those who would protect these historic structures because of that tax credit; and we are aware that that tax credit is enormously important to those who have an interest in restoring and protecting historic structures.

Senator FORD. I have learned an awful lot about South Dakota this morning and we have heard about the urban parks. It appears that the historical preservation would enhance, in all probability, attracting people to a given area and there will be adjacent areas that were there during a period of time. It seems to me that this would not only enhance but preserve enhance the tourism but preserve history for those in the future.

It seems to me that we are making a drastic mistake and I am hopeful that we would be able to do something about it. So we will move on a little bit.

Ms. BAKER. You may be interested to know, Senator, that a majority of the areas within the national park system are historic areas.

Senator FORD. I understand that. But I am looking for funds. You know, private enterprise is awful important to this country and where you give them an incentive you do not get Government involved except to be helpful to them, and a tax credit is helpful. And you may see some movement.

In this room we gave the automobile companies an opportunity to increase the mileage per gallon of gasoline to 100 miles, and you should have seen them go out of here and scramble to try to get methanol in their automobiles. It did not cost the Federal Government basically anything. I think the increased attendance and tax is important. So sometimes you can improve the situation based upon Government incentives.

We have so much prohibition today and we are worried about everybody making a nickle, but we have put our foot on most everybody's neck around the country.

Let me talk to the National Park Service just a moment. You have testified that the National Park Service "maintains close ties with the U.S. Travel and Tourism Administration." Am I correct in my quote?

Ms. BAKER. That is correct.

Senator FORD. Okay. Would you please explain precisely what those "close ties" are?

Ms. BAKER. Yes, sir. We are members of the Tourism Policy Council, which was established in law. We represent the Secretary of the Interior on that Council. The Council, as you are aware, is made up of representatives of the Federal departments and agencies that do have activities relating to tourism. We participate very actively in that council.

In addition, at the request of the United States Travel and Tourism Administration we have participated in international travel-trade events designed to draw tourists from other countries to the United States. For example, two years ago we presented a program in conjunction with Visit USA seminars in Australia and New Zealand at the request of the U.S. Travel and Tourism Administration. Before that, we did the same kind of thing at the Expo for Tourism that is held by the USTTA each year in Mexico.

We consult regularly with the Honorable Donna Tuttle about our policies as they relate to tourism, any policies that could affect her work in the field of international tourism promotion, particularly. We keep her fully informed of our new projects and programs.

Senator FORD. Are they written down anywhere? Could we get a copy of your recommendations to the Council? What you are saying here is you think it is the greatest thing that ever happened, but can we get the information you submit to the Council, the recommendations that you make?

Ms. BAKER. Well, ordinarily it comes up in conjunction with the discussions at Council meetings.

Senator FORD. Let me ask you this, then. I want you to furnish to this Committee your recommendations to the Council in the last 24 months.

Ms. BAKER. All right. We can do that and would be happy to.

[The following information was subsequently received for the record:]

In the past 24 months, the Tourism Policy Council met on the following dates: July 24, 1985; April 25, 1985; February 7, 1985; December 14, 1984; September 25, 1984; August 14, 1984 and July 18, 1984.

The Commerce Department's U.S. Travel and Tourism Administration, the agency that performs staff work for the Council and maintains the Council's records, has provided Annual Reports of the Council's activities for fiscal years 1983 and 1984. These are being supplied to the Committee. The Annual Report of the Council's activities for fiscal year 1985 has not yet been completed.

Although we have not maintained a specific record of our recommendations, we have fully participated in the Council meetings and value the efforts of the Council in coordinating these governmental activities and preventing overlap.

Senator FORD. I hear a lot of good talk. Let me ask you this. How often does the Council meet?

Ms. BAKER. It meets, as I recall, four times a year.

Senator FORD. You are the representative?

Ms. BAKER. Yes. I would have to look the dates up on my calendar.

Senator FORD. If you make the meetings, would you know?

Ms. BAKER. I would have to refer to my calendar to be sure of that, but I believe it is four times a year.

Senator FORD. You believe you meet four times a year.

Ms. BAKER. Yes.

Senator FORD. Is that a regularly scheduled meeting?

Ms. BAKER. No, sir. It is held at the call of the U.S. Travel and Tourism Administration, at their convenience.

Senator FORD. Well, something about this bothers me just a little bit. I hear so much today, Mr. Chairman, about how great is the cooperation and how well we are doing, and yet we do not know when the Council meets. It is on the call of the chairman. Maybe it is four times a year; maybe it is two times a year. They have got to go back and refer to the calendar.

I understand that the representative here is busy, but it seems to me that if you have got any kind of continuity or any regular operation of the Council that it would be something that you could put your finger on. How many times have you met this year?

Ms. BAKER. Again, sir, I would have to go back and look it up on my calendar. Are you talking about the fiscal year or the calendar year?

Senator FORD. Either one you want, I do not care.

Ms. BAKER. Assuming there are four meetings a year, the meeting we are having tomorrow would be the fourth of the year.

Senator FORD. Well, "assuming." That word is not very good, is it?

Ms. BAKER. No, I would have to look it up. I really do not recall.

Senator FORD. You cannot recall whether you have met once, twice, or three times this year?

Ms. BAKER. I think we have met three times and that tomorrow will be the fourth meeting. That is my best recollection.

Senator FORD. Does the National Park Service have a direct promotional program?

Ms. BAKER. We have a program through which we do promote tourism for some of our less well-known national park areas, and others as we are requested to by USTTA. We also promote the system as a whole. We do not have authority in law for a separate tourism promotion program. All of our promotional work relates to park management needs within the national park system.

Senator FORD. Something bothers me, Mr. Chairman, here. I do not think we have a coordinated effort on tourism promotion and it is beginning to bother me a little bit, and I am going to get into it deeper. It seems, and I do not want to be unkind to anybody, but just it seems that it is a kind of do your own thing call a meeting when you want to, when you think you need it and there is nothing routine.

I thought special meetings would be called by the chairman, but you would have regular meetings to sit down and work together and do those sort of things.

Let us talk to the Army a minute. In your statement you say that information distribution outside of the State or region is perhaps the weakest promotional link in the Corps' program. Did I misquote from your statement?

Dr. DEASON. No, that is correct, Senator.

Senator FORD. Has the Corps sought the advice or assistance of the Travel Service?

Dr. DEASON. Senator, I do not know that we have. I would have to verify that. Right now we are looking at several things to try to overcome. First of all, let me just say that we have not had major problems with regard to overcrowding. We have had some limited problems. Two years ago we took on an initiative to try a prototype effort at our Nashville District to establish a reservation system to help try to even out some of the overcrowding, and right now we are evaluating the results of that.

We are also looking at two other areas. One is differential charging, charging more on weekends or charging more for the best sites. And one other area that we are taking a look at right now is direct promotion, with which we have not had much experience. When I made that statement, I also said that we do hand out project brochures through chambers of commerce and other places throughout the region. But that generally has regional impact. It does not have national impact.

Right now we are taking a look at what authorities we might have to do more that would be construed as perhaps advertising or direct promotion. But to date we really have not had any.

Senator FORD. Does the USTTA have the authority to do the national promotion for domestic tourism?

Dr. DEASON. The Department of the Army does not have clear authority, no, sir. We are taking a look.

Senator FORD. Is there any formal or ongoing liaison between the Corps and the USTTA?

Dr. DEASON. The National Park Service or the Council?

Senator FORD. The Council.

Dr. DEASON. There is.

Senator FORD. The USTTA.

Dr. DEASON. We certainly do coordinate with them. As to whether or not we have a formal mechanism for exchanging views, I would have to check.

Senator FORD. There is no formal position with them?

Dr. DEASON. I am just not aware, Senator. I can find out about that for the record.

Senator FORD. Have you talked to them about your direct promotion or has there been any discussion about direct promotion?

Dr. DEASON. I have not personally, Senator, and I do not think there has been any contact with regard to the specific subject of direct promotion.

Senator FORD. I am somewhat puzzled by a statement that you made in your statement. "On many Corps projects, direct promotion has been largely unnecessary." Some Government officials are saying there is no role for the Federal Government in direct tourism promotion, that it should be left to the cities, States, and the private sector. Is that the reason the Corps says direct promotion has been largely unnecessary?

Dr. DEASON. Well, the reason we say it has been unnecessary, Senator, is not so much that. It is the fact that we have found that visitation to our projects has occurred through the normal public information programs that we have to get the word out. In other words, there does seem to be a fair balance among our recreational sites concerning usage and there have been very limited problems with overcrowding. So because the use patterns have been acceptable to date we have not really found it necessary, and that has been the basic reason.

Let me also say, Senator, that I have just been informed that we do not have a formal mechanism for coordinating with the travel service.

Senator FORD. Well, you were leading to your right in your statement, and then you shifted all of a sudden to your left and gave a detailed report on South Dakota. Do you have a detailed report there on Kentucky?

Dr. DEASON. I wish I did, Senator. We have a lot of good activities in Kentucky; however, I do not have it.

Senator FORD. Would you supply it for the record, please?

Dr. DEASON. Yes, sir.

Senator FORD. Thank you very much.

[The information follows:]

In the State of Kentucky, the U.S. Army Corps of Engineers manages 18 water resource development projects. Recreation cost sharing agreements have been approved at:

Project	Recreation area	Non-Federal sponsor
Dewey Lake	Gobel Branch	State of Kentucky.
Do	Brandy Keg Marina	Do.
Do	Jenny Wiley State Park	Do.
Green River Lake	Lone Valley	Do.
Barren and Rough River Lakes	Barren and Rough River State Parks	Do.
Grayson Lake	Rosedale Branch	Do.
Uniontown L&D (Ohio River)	Atkinson Park	City of Henderson, KY.
Uniontown L&D	Uniontown Ferry	Do.
Dale Hollow Lake	Dale Hollow State Park	State of Kentucky.
Lake Cumberland	Pulaski County Park	Pulaski County, KY.
Do	Lake Cumberland State Park	State of Kentucky.
Do	General Burnside State Park	Do.
Lake Barkley	Lake Barkley State Park	Do.
Martins Fork Lake	Smith Recreation Area	Harlan County, KY.

Note: The total investment in Kentucky (Federal and non-Federal combined) is over $9,400,000 at 14 locations.

Senator FORD. Now let me ask my friend with the Bureau of Land Management, do you manage all wilderness areas?

Mr. PETTY. No, sir. We only have those under the Bureau of Land Management.

Senator FORD. Okay. So a wilderness area could be in the Interior Department?

Mr. PETTY. Oh, yes, the Park Service has a great many. The Forest Service does, of course.

Senator FORD. Mr. Robertson, did you make the statement about the charges for the various parks that come under your supervision?

Mr. ROBERTSON. It does for the national forest, and that would include the Daniel Boone National Forest in Kentucky.

Senator FORD. Well, we do have some.

Who promotes Mammouth Cave?

Ms. BAKER. Most of the promotion of Mammoth Cave National Park is done by the Cave City, KY, Chamber of Commerce. They have a very active, creative chamber of commerce organization in Cave City.

Senator FORD. Have you ever been to Cave City? I am sure you have.

Ms. BAKER. Yes, sir, I have.

Senator FORD. It is right significant in that it is a very small community.

Ms. BAKER. Yes, it is.

Senator FORD. And this big Government of ours leaves it all up to Cave City, KY to promote one of the seven wonders of the world.

Thank you very much. I hope I made my point.

Senator PRESSLER. That is an excellent point and one I hope is taken back.

Mr. Deason, you mentioned a 50-50 cost split between the State of South Dakota and the Corps on development costs. After a quick calculation of the return on investment dollars on the South Dakota projects, it appears we are getting a $50 return for every dollar invested. With the 50-50 split, South Dakota gets $100 back in revenue for every one dollar invested.

Is the 50-50 a standard split in all Corps projects? What does the Corps do to encourage States to develop Corps sites? In South Dakota the Corps has some really excellent facilities. In Yankton, for example, many people have told me that the sailing and boating marina there compares favorably and in some ways is better than those in the Chesapeake Bay area, and I think that is something that is not well known.

But would you respond to the general thrust of those questions?

Dr. DEASON. Yes, Senator. Let me say first of all that there was a typographical error in my full statement. The $8.8 million was the total investment on the part of the Federal Government and the State of South Dakota for this recent effort in recreation development. The annual return from that investment was $22.7 million. There is a typographical error on that figure, although I used it correctly when I gave my summary statement.

As far as the 50-50 cost-sharing requirement, yes, that is a national requirement provided on all Corps recreation projects throughout the Nation. Now in this particular case, the State of South Dakota has come up with the most comprehensive cost-sharing initiative with the Department of the Army to date of any State, and it has been very successful and we hope that this would continue elsewhere.

Regarding the sites at Yankton, the boating sites and so on, I do not know that we have had any special promotion of that, although I believe those are covered. There are four lakes in South Dakota which, as you know, pretty much span the whole reach of the Missouri River in South Dakota, starting at Oahe and coming down to Big Bend and Lake Sharp and Lewis and Clark Lake. And the cost-sharing initiative that you made reference to covered substantially all of those four lakes, in other words, the entire reach of the river throughout South Dakota.

So we are very pleased with that and think it is a very big success.

Senator PRESSLER. Your weakest promotion link is outside the State where the facility is located. Do you think that it is best for the State to promote these areas in other States, or do you think the Federal Government can do a better job of overall promotion?

Dr. DEASON. Well, I personally think it is more or less a partnership effort. Now as we can see from the figures, there have been a lot of out-of-state tourists come in to the State of South Dakota as a result, or are projected to be as a result of this new initiative, and so the information has gotten out despite the lack of a direct promotional effort specifically directed at the South Dakota development.

So it has been highly successful on its own accord, and generally we have found that throughout the Nation, that our projects speak for themselves. The word does get out and they run quite well without a big Federal role in direct promotion.

Senator PRESSLER. Let me ask this to Mr. Petty. Does BLM have a user fee for their recreational areas on public lands?

Mr. PETTY. I think we have a few fee sites. I think it is 36 out of 377, or something in that neighborhood. And our fees would vary, much as the Forest Service fees vary.

Senator PRESSLER. Does the BLM have a plan to create a program promoting tourism?

Mr. PETTY. We have no plans at the present time.

Senator PRESSLER. Do you think it would be a positive thing to have a tourism plan or do you think it is better to just let it float?

Mr. PETTY. I think it would probably be good for the economy of this country.

I would ask the chairman to keep in mind that, in connection with a tourism program, one of the most essential ingredients must be the fuel to get there, get the tourists there. Without the fuel, the tourist is not going to go very far. One of the major programs in the Bureau of Land Management is the development of the oil and gas program.

Senator PRESSLER. Now, the Bureau of Land Management and the National Parks Service are under the Department of the Interior.

Mr. PETTY. That is correct.

Senator PRESSLER. Do you work together to establish administrative policy and management guidelines?

Mr. PETTY. No, sir, we do not. Our lands are so different—the Park Service lands are defined or set aside specifically for park purposes. The public domain lands are multiple use lands. They are used for all sorts of purposes, and they are quite different.

We have in some cases, particularly at the local level, worked with the Park Service as well as the Forest Service in developing joint-use areas.

Senator PRESSLER. Mr. Robertson, I have a specific question I will submit in writing regarding the ski area in South Dakota that some folks out there who have been trying to expand. And I do not know all the ins and outs. This has been going on for several years. But I am going to try to get kind of a history of it, but it is a local problem, so I will submit that question for the record. You will probably have to go back to some of your people.

Mr. ROBERTSON. We would be happy to do that, Mr. Chairman.

Senator PRESSLER. Those are all the questions I have for this panel. I do have some questions submitted by other Senators.

There is one question that involves the impact of daylight savings time in your judgment, daylight savings time on these facilities, what impact that would have. Of course, I guess it depends on what you are talking about. If you are talking about the Gorton proposal, I guess you would be expanding it during the month of April.

But do any of you have any comments or positions on the expansion of the time allocated or the weeks or months allocated for daylight savings time, what impact that would have on tourism?

Ms. BAKER. The National Park Service has not to my knowledge studied this issue. In fact, I was not aware that it was an issue until this morning when it was brought to my attention.

But I think it would be fair to say that we would agree in the Park Service that if the matter did affect visitation to our national parks and our ability to manage that visitation properly, then appropriate attention ought to be given to a consideration of the matter.

Mr. ROBERTSON. Mr. Chairman, the Forest Service has not given any thought to that issue.

Senator PRESSLER. All right.

Dr. DEASON. The Department of the Army does not have any additional views either, Senator.

Senator PRESSLER. Thank you. I have no further questions.

Senator Ford, do you have any more?

Senator FORD. Let the record reflect that none of them cared a hoot about daylight savings time extension.

Senator PRESSLER. We will call our next panel. Thank you very much.

The next panel is: William Toohey, president, Travel Industry Association of America; John Snyder, executive vice president, American Bus Association; Ms. Frances Wall, president, National Tour Association, accompanied by James Santini, Washington representative, National Tour Association.

We welcome you and we will hear first from Bill Toohey, a very good friend of this committee.

Bill Toohey is sick this morning, so George Fichtenbaum, executive vice president of TIA, will begin. I am also told that Jim Santini is by himself, so we hope he is not lonesome.

STATEMENTS OF GEORGE L. FICHTENBAUM, EXECUTIVE VICE PRESIDENT, TRAVEL INDUSTRY ASSOCIATION OF AMERICA; JOHN K. SNYDER, JR., EXECUTIVE VICE PRESIDENT, AMERICAN BUS ASSOCIATION; AND JAMES SANTINI, WASHINGTON REPRESENTATIVE, NATIONAL TOUR ASSOCIATION

Mr. FICHTENBAUM. Thank you, Mr. Chairman.

Mr. Toohey is suffering a severe throat infection and I appreciate the opportunity to be here to read his testimony to you.

The Travel Industry Association of America is the national umbrella association of the entire U.S. travel industry, representing nearly 2,000 member companies, tourism organizations, and affiliate national councils. As a long-time catalyst and sponsor of basic promotional efforts in the travel marketplace, TIA appreciates the opportunity to present testimony on the promotion of domestic tourism before this Subcommittee.

Clearly, a comprehensive effort aimed at the promotion of domestic tourism is warranted. Over the past several years, the American economy has recovered strongly from a recession which gripped it during the first part of this decade. Yet, domestic travel by Americans has remained on a lower plateau of activity.

The number of persons in this country taking vacation trips has declined in each of the past three years, and the duration of such trips has also declined. At a growing pace, the consumer has opted for heavy investment in durable goods automobiles, home appliances, video and audio equipment, furniture, home improvements, and such.

There has been a $100 billion increase in the sale of consumer durables, while increases in discretionary travel receipts have remained negligible except perhaps for the past several months. Aware of this lag in domestic travel activity, travel industry leaders late last year began to discuss the need for a national domestic tourism promotion and public awareness effort to motivate American consumers to travel in America.

A key question raised by such an effort was, why should not the Federal Government play the lead role in developing such a program? Traditionally, national efforts of this sort suggest consideration of the coordinating role for appropriate Federal agencies. Logic suggests that the U.S. Travel and Tourism Administration would be the appropriate lead agency.

Yet, TTA's legislative mandate, however, makes it clear that its primary responsibility is promotion of international tourism to the United States. Only during the years surrounding the observance of the American Bicentennial did the Congress support a temporary domestic marketing role for the U.S. Travel Service, the predecessor agency.

A second point that needs to be made here, of course, is that the Office of Management and Budget is calling for the elimination of USTTA at the end of the current fiscal year. The U.S. tourism industry has been challenged over recent months to work with the Congress, specifically with this subcommittee, to keep the agency in existence so that it can carry out its primary mission, let alone expand its mandate into the domestic tourism arena.

And quite aside from issues of its continued existence, of its real or implied mission, it is unlikely that the USTTA would be able to divert resources from the highly competitive international market to even minimal domestic endeavors. If not USTTA, someone suggested U.S. National Park Service might be appear to be an appropriate candidate to perform the essential catalytic role in guiding and coordinating the domestic tourism promotion program.

The Park Service operates, as you have heard, over 300 top domestic tourism attractions and thus appears to have at least an implied responsibility to foster domestic travel. But it has no specific legislative authority to promote domestic tourism and therefore cannot request appropriations for a broad-based promotion.

Moreover, while the National Parks Service operations are of course critical to U.S. tourism, there are other Federally and state-owned lands and attractions which are broader than the Parks Service orientation.

The private sector has previously taken an active role in the promotion of domestic tourism.

TIA's predecessor, the Discover America Travel organization, sponsored the highly successful Discover amendment program in the early 1970's. The private sector also sponsored the See the U.S.A. program of the early 1960's. Both of these programs were led and financed by the private sector, which needed but modest participation by the Federal Government.

Recent national tourism industrywide efforts have shown that the private sector can indeed provide the catalyst and leadership for coordinated national promotional programs. Domestic tourism promotion programs on a national scale differ in one significant way from international tourism promotion programs on a countrywide basis. Domestic tourism promotion requires that all competing industry interests come together to expand the overall size of the market while continuing to compete for market share.

Since international promotion ground rules are determined by the collective actions of other Governments and not the United States, the Federal Government must take the lead in a public-private partnership national effort. In the case of domestic tourism promotion, on the other hand, either the Federal Government or the private sector can assume a leadership role, ideally through a partnership arrangement, for certain programs.

A successful program must have broad grassroots participation in each State. It must also have the support and participation of major national travel businesses and organizations. To this end, TIA earlier this year began an initiative in response to sluggish domestic tourism growth to give shape to a nationally coordinated domestic marketing program, working through its National Council of State Capital Directors, which is composed of all the tourism directors for all the states and territories, which in turn works through its board of directors and a task force.

Various Federal agencies will of course be invited to join in some aspects of this national effort. The council that is, the State Capital Directors Council has created a national domestic marketing task force in February, on which, by the way, the Tourism Director of the State of South Dakota sits, Mr. Chairman, Eugene Dilbeck. The State travel director of Oklahoma chairs the council, which is working with other TIAA private sector entities in developing a domestic marketing plan.

On the next panel, Mr. Dilbeck will describe to you the progress the State travel directors have made in the national domestic marketing task force.

And again, I want to thank you for this opportunity to present on behalf of Mr. Toohey and TIAA our comments on domestic tourism.

[The statement follows:]

STATEMENT OF WILLIAM D. TOOHEY, PRESIDENT, TRAVEL INDUSTRY ASSOCIATION OF AMERICA

The Travel Industry Association of America appreciates the opportunity to present testimony on the promotion of domestic tourism before this Subcommittee on Business, Trade, and Tourism.

The Travel Industry Association of America is the national umbrella association of the entire U.S. travel industry representing the views of the industry on issues of common concern including national marketing efforts. Our association, a long time catalyst and sponsor of promotional efforts in the domestic tourism marketplace for our nearly 2,000 member compaines, tourism organizations, and affiliated National Councils, is encouraged by this Subcommittee's interest in domestic tourism promotion.

Emerging from the recessionary years of the early 1980's, discretionary income has expanded, but domestic travel by Americans has remained at a lower plateau than in previous years. The number of persons taking vacation trips has declined in each of the past three years. In 1984, the number of persons taking trips was down 4.3 percent, continuing an annual decline averaging 3.3 percent per year since 1979. The duration of such trips has also declined. For the first time since 1979, the U.S. travel industry experienced a decline in the number of nights spent away from home, down three percent in 1983 and an additional 0.8 percent in 1984. It was not until the summer of 1985 that this trend began to reverse.

At a growing pace the consumer has opted, during the recent economic recovery, for heavy investment in durable goods such as automobiles, home appliance, video and audio equipment, furniture and home improvements, instead of returning to expected travel patterns. There has been a $100 billion increase in the sale of consumer durables, while increases in discretionary travel receipts have been all but negligible, until the last few months. In addition, the strong dollar has re-directed some of the expected post-recession increase in domestic travel into increased overseas travel by Americans.

By the end of 1984 events had converged to make a national domestic tourism promotion and public awareness effort essential. As domestic discretionary travel resisted the post receission boom, travel industry leaders began to discuss the need for a national domestic tourism promotion and public awareness effort to motivate the American consumer to travel in America.

One of the first questions raised by such a concept was: "Why shouldn't the federal government play the lead role in developing such a program?" Traditionally national efforts of any sort suggest consideration of a coordinating role for an appropriate federal agency. In the case of a national effort in the tourism arena, logic suggests that the United States Travel and Tourism Administration [USTTA] would be the appropriate lead organization.

However, USTTA's legislative mandate clearly makes the agency's prime responsibility promotion of international tourism to the United States. USTTA, by virtue of the language in the National Tourism Policy Act, is not specifically excluded from developing programs which relate to domestic tourism, but neither does the act suggest that the Congress intended anything other than small scale USTTA technical assistance for the states, cities, and the private sector where domestic tourism is concerned. This, of course, was not the view of the Congress, when in the bicentennial years it did support a temporary domestic marketing role for the United States Travel Service, predecessor to USTTA. The Congress subsequently retreated from this viewpoint prior to drafting the National Tourism Policy Act.

Secondly, the Office of Management and Budget has recommended that USTTA be eliminated by the end of fiscal year 1986. The U.S. tourism industry has been challenged, over recent months, to work with the Congress, specifically with this Subcommittee, to keep the agency in existence to carry out its primary mission, let alone expand its mandate into the domestic tourism arena. Quite aside from the issues of continued existence or implied or real mission, it is unlikely that funds will be available for USTTA to divert resources from the highly competitive international market to even minimal domestic endeavors.

Within the Federal Government the only agency other than USTTA that might appear to be an appropriate candidate to perform the essential catalytic role in guiding and coordinating a domestic tourism promotion program would be the National Park Service. However, the Service in fact has no specific legislative authority to promote domestic tourism and therefore cannot request appropriations for a broad-based promotional effort.

Moreover, the National Park Service orientation is focused on the 300 national parks and historic properties it operates. While national parks are, of course, of critical importance to U.S. tourism, the industry's range of interests in promoting domestic travel covers a far broader field. The travel industry facilitates the movement of over 330 million visitors a year to National Park properties, but also has an interest in the over 230 million visitors to national recreation areas and other properties of the U.S. Forest Service, the 58 million visitors to properties operated by the Bureau of Land Management, the 200 million visitors to over 500 private attractions and amusement parks, 500 million visitors to over 6,000 U.S. museums, 14 million visitors to nearly 200 caves, the uncounted millions of visitors to historic properties operated by the National Trust and state, regional and local historical societies, not to mention resorts, major cultural and sporting events, and so on. Clearly the private sector as well as specific federal entities have an interest in the over 1 billion person trips taken by Americans each year. The private sector, under the leadership of the Travel Industry Association of America's predecessor, DATO, initiated the highly successful "Discover America" program in the early 1970's. The private sector also sponsored the "See the USA" program of the early 1960's. These national tourism promotion and public awareness programs sponsored by our association and its predecessors were led and financed by the private sector with needed but modest participation by the federal government. These previous private sector initiatives and recent National Tourism Week industry-wide efforts have shown that the private sector can provide the catalyst and leadership needed for coordinated national promotional programs. Federal participation in various cooperative and programmatic partnership arrangements for such national efforts have in the past, and remain so today, been important to success.

Domestic tourism promotion programs on a national scale differ in one significant way from international tourism promotion programs on a country-wide basis. In the case of domestic tourism, nearly all competing industry interests come together to expand the overall size of the market while continuing to compete for market share. International tourism promotion on the other hand, can never involve all competitors in a market expansion effort. Other countries continue to compete, on a country-to-country basis, while any single country mounts a national effort to expand its market share. Since international promotion ground rules are determined by the collective actions of other governments and not by the United States, it is essential that the Federal government take the lead in a public/private partnership national effort.

In the case of national domestic tourism promotion programs on the other hand, either the Federal government or the private sector can assume the leadership role, ideally through a partnership arrangement for certain programs. A successful domestic travel marketing program must have broad grassroots participation by travel industry businesses in each state. It must also have the support and participation of major national travel businesses and organizations. To achieve these objectives, the Travel Industry Association began an initiative in response to sluggish domestic tourism growth, to give shape to a nationally coordinated domestic marketing program, working through its National Council of State Travel Directors. Various agencies of the Federal government will, of course, be invited to join in some aspects of the national effort.

The National Council of State Travel Directors, under the chairmanship of Randall A. Wagner, Wyoming, created a National Domestic Marketing Task Force in February of this year to "develop ongoing strategies and methods to increase travel to the United States and its territories". The Task Force is chaired by Eugene Dilbeck of Oklahoma, who will testify before this Subcommittee a little later, and Charles Heatherly of North Carolina is vice chairman. The Travel Industry Association is providing administrative and technical staff support to the Task Force. In addition, our Association's Press and Public Relations Committee is providing advice and counsel on the development of the Task Force's marketing plan, and the USA Marketing Council will be assisting the State Travel Directors in program development and coordination with national private sector companies. The Subcommittee will recall that the private sector International Marketing Plan Development Committee recommended the creation of a USA Marketing Council. The Travel Industry Association created this Council, comprising top U.S. tourism industry marketing executives and chaired by James C. Collins, senior vice president, marketing, Hilton Hotels Corporation, earlier this year.

Mr. Dilbeck will describe to the Subcommittee the progress and plans of the State Travel Directors' National Domestic Marketing Task Force. We thank you for this opportunity to comment on domestic tourism promotion.

Good morning. My name is John Snyder. I am Executive Vice President of the American Bus Association.

I appreciate the opportunity to be here today to talk about domestic tourism. The American Bus Association represents more than 3000 companies directly involved in businesses which are related to travel, recreation and tourism.

I want to applaud this Subcommittee for holding these hearings. Those of us who labor in the field of tourism are grateful to the members of this Subcommittee which has responded so positively on so many occassions to our concerns on travel and recreation.

I also want to congratulate the states and cities on their outstanding contributions to the growth and development of the domestic tourism industry. Their efforts and that of Travel Industry Association of America and similar organizations have led in the battle for greater unification of all entities of the tourism industry. In addition, I want to recognize the significant work of the Government Affairs Council in identifying the important issues in tourism and gaining wider recognition and awareness of tourism policies throughout the country. Finally, I want to express the appreciation of the industry for the energetic leadership and accomplishments of the United States Travel and Tourism Administration for their efforts in building and maintaining an effective program for international trade in tourism.

Senator PRESSLER. John Snyder, executive vice president, American Bus Association. Welcome to you.

Mr. SNYDER. Thank you, Mr. Chairman. I appreciate being here today to talk about domestic tourism.

I have a statement which, with your permission, I would like to submit for the record.

Senator PRESSLER. Without objection, so ordered.

Mr. SNYDER. I will briefly summarize the statement in the following remarks. The American Bus Association represents more than 3,000 companies directly involved in businesses which are related to travel, recreation, and tourism.

I want to applaud the subcommittee for holding these hearings. Those of us who labor in the field of tourism are grateful to the members of this subcommittee, which has responded so positively on so many occasions to our concerns on tourism.

I also want to congratulate the states and cities on their outstanding contributions to the growth and development of the domestic tourism industry. Their efforts and that of the Travel Industry Association of America and similar organizations have led in the battle for greater unification of all entities in the tourism industry.

In addition, I want to recognize the significant work of the Government Affairs Council in identifying the important issues in tourism and gaining wider recognition and awareness of tourism policies throughout the country. And finally, I want to express the appreciation of the industry for the energetic leadership and accomplishments of the U.S. Travel and Tourism Administration under the leadership of Donna Tuttle, for their efforts in building and maintaining an effective program for international trade and tourism.

Tourism is an enormous industry which exerts tremendous influence on our national economy. A brief look at some of the numbers suggests how important this industry is to today's economy, and I have submitted these for the record. But the one that impresses me the most is that it reports expenditures amount to over $230 billion.

Despite these impressive figures, particularly at the national level, the state of tourism today in my opinion is not as healthy as it could be. Tourism is probably the nation's least understood industry, as well as the least represented industry in the policy circles of this country.

Many of the broad concerns that might be envisioned in a domestic tourism program are outlined in the National Tourism Policy Act. Taking into account the goals of the National Tourism Policy Act, along with new approaches and new initiatives, it is possible to suggest a general direction for a domestic tourism program.

In that respect, I have begun to develop some issues which I believe must be taken into account in formulating a policy on domestic tourism, and let me share some of these with you.

I believe the first item on the agenda for domestic tourism must be an all-out effort for recognition of the importance of the industry to this society as a whole. This may sound so basic that it is often overlooked. We all complain that people do not understand how important tourism is, but with the exception of the National Tourism League, state-city days, and a few selected events, we do not have educational and training programs or materials available to explain our industry.

We had better start to prepare such educational packages as part and parcel to the overall development of a domestic tourism strategy.

Second, the domestic tourism program must look at the supply side of the demand-supply equation. Marketing and promoting tourism are best left to the individual states, cities, and private sector. Supply concerns, such as highway construction, commuter airlines, railway transportation and bus routes, locally and interstate, are important to the development and potential growth of domestic tourism. In short, the supply of natural and manmade tourism destinations and attractions must be carefully reviewed in formulating domestic tourism goals and plans.

Third, the domestic tourism development plan should include a look at the impact of energy policies on tourism. Energy is basic to domestic tourism and it is one of the few issues where the industry came together and made a major impact on national goals. More needs to be done.

Fourth, I want to say something about the need for research and data collecting to support the development of a domestic tourism plan. The Administration decided to abandon the national travel survey. There has not been a survey since the 1977 census of transportation. Yes, the Travel Data Center does an excellent job in developing information and data on domestic tourism, but it is greatly hampered by the lack of a transportation census.

There must be a stronger support for research and data collection if meaningful policy analysis on domestic tourism programs is to take place.

Fifth, there is a lack of a formal process to discuss tourism policy issues in the tourism arena. There needs to be a suitable form for soliciting, debating, and resolving important domestic tourism policy issues.

Sixth, an important area of concern is that of domestic tourism coordination. There needs to be several regional centers in the United States to coordinate the interest in domestic tourism.

Seventh, there must be attention given to the problem of seasonality in travel. Tourism in many parts of the country is tied to the seasons, but even in these circumstances there are probably improvements that could be made in adjusting to seasonal changes. Seasonality is basic to tourism development and it deserves to be included on the domestic tourism agenda.

Eighth and the final issue I will mention this morning is that of tourism and the environment. Domestic tourism growth cannot be maintained if we do not learn to appreciate the environmental concerns of tourism.

The issues I have just cited are only some of the concerns that a domestic tourism program must address. However, these issues do point out the need for a well thought out domestic tourism plan of action. The answers to these questions are not simple, but then tourism is a complex business.

I wish I could tell you that with a certain budget and a certain structure, a certain set of regulations or the creation of a certain kind of agency, we would solve the domestic tourism question. If I had a specific answer, I would spell it out right now. But what I do know is that without the benefit of these hearings, without more dialogue on this subject, without a careful study of domestic tourism, we in the tourism business will not reap the benefits of a better domestic tourism product in the future.

Thank you for allowing me this opportunity to express my view on domestic tourism. I will be happy to attempt to answer any questions.

[The statement follows:]

STATEMENT OF JOHN K. SNYDER, JR., EXECUTIVE VICE PRESIDENT, AMERICAN BUS ASSOCIATION

This country was founded as a nation bound by agricultural interests. Later the economy shifted to the smokestack industries. Only recently have we entered the era of the service industry economy. Today farming is still very important and without our manufacturing capacity we could not survive. But it is the services economy which is increasingly driving the economic potential of this country and tourism is one of the most important service sectors. To quote President Ronald Reagan during his announcement of National Tourism Week in 1984: "The tourism industry is extremely important to the United States, contributing to our employment, economic prosperity, and international trade and understanding."

Just what kind of an industry is tourism? On the economic side, tourism is a complex, domestic and international super-industry, part public, part private—a maturing industry essential to the consumer and business interests of this country. This enormous industry exerts tremendous influence on both the Gross National Product as well as our National Balance of Payments Account.

It represents about 6% of the GNP.

It reports expenditures amounting to about $230 billion.

It accounts for over 7% of civilian employment.

It supports jobs for 6.8 million Americans.

It generates a payroll of more than $50 billion annually.

It contributes an estimated $25 billion a year in taxes to Federal, State and local treasuries.

It brought in an estimated $14 billion in foreign exchange last year alone.

Furthermore, if we were to calculate a thing called a "Gross State Product" for each of the individual states, we would find that tourism would rank as the number one industry in several of the states and would rank as number two or number three in about three-fourths of the states.

Despite these impressive figures, particularly at the national level, the state of tourism today, in my opinion, is not as healthy as it could be. Tourism is probably the nation's least understood industry as well as the least represented industry in the policy circles of this country. A basic fact of life is that the national interest in tourism is a complex collection of competing interests which are constantly changing and which must be better recognized if future growth in tourism is to be sustained. In such environment, tourism policy development becomes a process of arbittrating between the various factions and interests concerned and reaching the best possible compromise. The point is that the collective tourism views, that is the viewpoints of the tourism industry must be put forward by our various constituencies if we are to be heard by those involved in setting the economic and social priorities of this country. It is up to all of us involved in tourism to make ourselves heard.

If we are going to ask for a greater priority for domesic tourism on the policy agendas, there must be a clear understanding of the tourism issues we want raised. A domestic tourism policy to be meaningful must be generated from these most affected by such a that is, the private sector and state and local entities engaged in tourism development and promotion.

Many of the broad concerns that might be envisioned in a domestic tourism program are outlined in the National Tourism Policy Act. Taking into account the general goals of the National Tourism Policy Act, along with new approaches and new initiatives, it is possible to suggest a general direction for a domestic tourism program. In that respect, I have begun to develop some issues which I believe must be taken account of in formulating a policy on domestic tourism. Let me share some of these with you.

I believe the first item on an agenda for domestic tourism must be an all out effort for recognition of the importance of our industry to the society as a whole. This sounds so basic but it is often overlooked. But let us be truthful. We all know that there is a great lack of awareness of the benefits of tourism to the general public. For example, how many high schools do you know of around the country which include tourism as part of their curricula development? With the exception of the State of Hawaii, I don't know of a single state or city that encourages its junior or senior high school students to understand the impact that tourism has on the local community, state or country. If our children are not informed of the benefits of tourism, how can we expect them to become well informed about tourism once they become adults. We all complain that people don't understand how important tourism is, but, with the exception of National Tourism Week and a few selected events, we don't have educational and training materials available to explain our industry.

We better start to prepare such educational packages as part and parcel to the overall development of a domestic tourism strategy.

Second, a domestic tourism program must look at the "supply" side of the "demand/supply" equation. Marketing and promoting tourism must be left to the individual states, cities and private sector. But tourism support activities which often cross borders, which may mean a sharing of tourism skills and assistance, which in essence "supply" tourism services are essential to a good tourism program. Concerns as basic as highway construction, commuter airlines, railway transportation and bus routes locally and interstate must be included in the development and potential growth of domestic tourism. The preservation and protection of historic and natural heritage resources are national public goods and must be reviewed in any domestic tourism agenda. Furthermore, domestic tourism objectives must include ways and means for supporting the proper use of outdoor recreation resources as well as suggesting systems to support cultural attractions. In short, the supply of natural and manmade tourism destinations and attractions must be carefully looked at in formulating domestic tourism goals and plans.

Third, domestic tourism development plans should include a look at the impact of energy policies on tourism. We can all remember how our industry suffered during the 1974 energy crisis. Our industry should continue to seek out greater ways to conserve energy while at the same time enjoying its greater usage as part of a quality tourism product. Energy is basic to domestic tourism and it is one of the few issues where the industry came together and made a major impact on national goals. More needs to be done.

Fourth, I want to say something about the need for research and data collection to support domestic tourism development. As we well know, during the recent series of budget crunches, the Administration decided to abandon the National Travel Survey. There has not been a "survey" since the 1977 Census of Transportation. The U.S. Travel Data Center does an excellent job in developing information and data on domestic tourism, but it is greatly hampered by the lack of a transportation census. There must be stronger support for research and data collection if meaningful policy analysis on domestic tourism programs is to take place.

Fifth, there is a lack of a formal process to discuss tourism policy issues in the domestic tourism arena. The present national Tourism Policy Council is an effective tool for some tourism policy issues, but it is not properly staffed and it lacks the ability to maintain the necessary and frequent contact with the states, cities and private sector on domestic tourism issues. There needs to be a suitable forum for soliciting, debating and resolving important domestic tourism policy issues.

Sixth, an important area of concern is that of domestic tourism coordination. There are no regional or district offices in the United States concerned with tourism development. The only recourse is to contact the United States Travel and Tourism Administration which focuses on international tourism and which has no regional or district offices for domestic tourism programs. There need to be several regional centers in the United States to coordinate the interests in domestic tourism.

Seventh, there must be attention given to problems of seasonality in tourism. The efficient and effective use of tourism resources include better labor utilization, productivity improvements and more evenly distributed resources allocations. Tourism in many parts of the country is tied to the seasons, but even in these circumstances there are probably improvements that could be made in adjusting to seasonal changes. Seasonality is basic to tourism development and it deserves to be included in a domestic tourism agenda.

Eighth, and the final issue I will mention this morning is that of tourism and environment. There is a great need to better understand the way in which tourism resources can be protected but continue to be important as tourism destinations and attractions. Domestic tourism growth cannot be maintained if we don't learn to appreciate the environmental concerns of tourism.

The issues I have just cited are only some of the concerns that a domestic tourism program must address. However, these issues do point out the need for a well-thought-out domestic tourism plan of action. The answers to these questions are not simple, but then, tourism is a complex business. My reason for presenting these issues to this Subcommittee is to emphasize that the time for action on a domestic tourism program is long overdue. I wish I could say that I have a solution on hand. I wish I could identify a government agency, a council, an association or some other entity that could resolve these problems. I wish I could tell you that with a certain budget, a certain structure, a certain set of regulations or the creation of a certain kind of agency would solve the domestic tourism question. If I had a single answer, I would spell it out right now. What I do know is that without the benefit of these hearings, without more dialogue on this subject, without a careful study of domestic tourism, we in the tourism business won't reap the benefits of a better domestic tourism product in the future. Yesterday was the diagnosis, today a discussion of prescriptions and tomorrow maybe a cure. We have to start somewhere before it is too late.

Thank you for allowing me this opportunity to express my view on domestic tourism. I will be happy to attempt to answer questions.

Senator PRESSLER. Well, thank you, and I think your comments about tourism being the least understood industry have a lot of merit, because it is an industry that is not appreciated for what it does. I thank you very much for your comments and appreciate your appearance here.

Mr. Santini.

Mr. SANTINI. Thank you, Mr. Chairman. I am appearing as counsel for the National Tour Association. The National Tour Association is the $8 billion plus association that represents the tour operators of the nation.

I have a prepared statement, Mr. Chairman, and with your leave I would ask that that statement be entered in the record, and I will condense or extrapolate from that statement.

Mr. Chairman, the tour operators of the nation are one of the primary sources of transportation for all of those people, including a large segment of senior citizen America, that are interested in seeing all of the national wonders that our Federal Government has to offer. You have had detailed testimony about the extensive nature of all of those extraordinary attractions in this country.

But as Senator Ford appropriately observed, I believe the average traveling American is woefully ignorant of all of the attractions that are domestically available for him or her to visit and see. In this context, I think it is appropriate to examine the role of the Federal Government in attempting to both inform and facilitate that traveler.

To date, administration after administration has blissfully or intentionally ignored any kind of cohesive communication to traveling America about the wonders and attractions that are available for them to participate in. It is indefensible in my judgment that year after year we find ourselves in the U.S. Congress and in the United States in a circumstance in which the money-managing agency of the national Government has a garrotte out to cut the throat of any possible Federal role or participation in tourism.

You are to be commended, Mr. Chairman, for your initiative in the domestic tourism arena. That courage in the context of recent legislative attempts to wipe out the one agency in Government that has anything to do with foreign tourism and travel is certainly to be commended.

What is distressing in this context, Mr. Chairman, is that while the National Tour Association that uses the motor coach, the ship, the airplane, to produce that $8 billion plus that represents our segment of the industry, the industry as a whole is $200 billion-plus, approaching $240 billion, and by the year 2000 will be the single largest retail industry in the United States, and we are still proceeding, as Mr. Hardy will recall, with his chairman in the past, as though we are progressing through the dark ages of both ignorance and difference and antagonism about the national tourism and travel industry.

Nowhere is it more evident than in the context of the failure of anyone at the national level to, number one, identify, is there a problem with regard to the failure of the national Government to provide cohesive information and facilitate travel to all of the national wonders that have been alluded to this morning; and number two, if that be a problem, what is a common sense solution response, that recognizes the pitfalls and problems that are entailed with that were contained in both the testimony of TIA and ABA, with regard to preserving the role and function of the private sector and without usurping that role what is the responsibility of the national Government.

Mr. Chairman, might I urge on behalf of the National Tour Association that this subcommittee of the U.S. Senate consider instituting a short-term targeted examination of the question, number one, role and responsibility of the Federal Government with regard to its own natural tourism and travel attractions; and number two, how could that role most sensibly and effectively be implemented.

Senator PRESSLER. Now say the first part again?

Mr. SANTINI. Number one, role identification. What is the role, or is there any role? And if that question is answered in the affirmative, yes, there is a role, how can we, recognizing the lack of enthusiasm or desire for new Government agencies and the lack of new Government dollars, how can that Federal role be implemented under existing budget constraints?

I suggest that there are three or four examples of efforts in that regard. One of them involves the Travel for Tomorrow Council, working with the U.S. Department of Agriculture and the U.S. Forest Service, to provide a nationwide advertising campaign about what attractions are available in terms of the U.S. Forest Service. The unique circumstance that has occurred here, Mr. Chairman, is this advertising campaign, and the Travel for Tomorrow Council has reached in its private sector, private association, nonprofit initiative over 15 million Americans.

The program of the U.S. Forest Service is a program which costs the taxpayers of America $22,000. The Travel for Tomorrow Council picked up the other 22. The total cost of this promotion, advertising initiative involving a private nonprofit association and the Federal Government was $44,000.

That is but one example of the kind of initiative and ingenuity that should be brought to bear on the necessity of the Federal Government living up to its role and responsibility of informing the people of the importance of tourism and travel and the attractions available.

Thank you very much, Mr. Chairman. I will be happy to answer any questions.

[The statement follows:]

STATEMENT OF JAMES D. SANTINI, WASHINGTON, DC, COUNSEL FOR THE NATIONAL TOUR ASSOCIATION

Chairman Pressler and Members of the Committee: I am James D. Santini, Washington, D.C., counsel for the National Tour Association, this country's largest association of tour companies. On behalf of NTA, I congratulate you on your role in this significant hearing for domestic tourism promotion and on your continuing leadership in establishing tourism's economic importance on Capitol Hill.

It is fitting that the National Tour Association should testify at this hearing because we represent a segment of the travel industry whose focus is almost exclusively domestic. In the past several years, we have seen millions of Americans leave this country to spend their travel dollars abroad. We sincerely believe that America's balance of trade, rate of employment, and tax revenues can all be dramatically improved if we can convince Americans to see America. This hearing today is an excellent start on that initiative.

Today, travel and tourism is already our Nation's third largest retail industry. More than $200 billion was spent on travel and tourism in this country in 1983, and domestic tourism represents more than 90 percent of that total. Nearly 7 million Americans are employed today either directly or indirectly because of our Nation's tourism industry. These jobs pay more than $45 billion in wages and salaries each year, and another $25 billion in Federal, State, and local taxes. Senator Pressler, these impressive figures are only a fraction of the potential impact our country could enjoy from this growing industry.

What we seek from our Federal Government, Senator Pressler, is an increased awareness of this vital role tourism plays in our economy. We seek recognition of the fact that other countries are spending millions more dollars each year than are we in luring American travelers to their destinations. We seek recognition of the fact that no less than 14 States in this country already list tourism as their number one industry. Surely, that statistic in and of itself is a clear mandate for increased Federal interest in keeping Americans here in America.

We express our concern over the idea of increased user fees in our national parks that will impact negatively on travel to our Nation's greatest destinations. So long as user fees are not raised to the point of being burdensom for visitors, our national parks will continue to be some of the brightest stars in our country's tourism galaxy.

While border fees for international visitors do not directly impact on domestic tourism, they do indicate a critical inability to see the big picture on the part of our Government. Fees such as these that do nothing more than create a very negative impression for incoming travelers give tourism industry leaders a real fear that Washington refuses to see the tremendous economic benefits this business creates.

In summary, Senator, let me say simply that domestic tourism promotion in this country is a partnership—a partnership that already exists between organizations such as the National Tour Association, our State governments that spend nearly $200 million each year on tourism promotion, and our cities and private businesses across this country. We would like to extend that partnership to include our Federal Government as a key supporter and facilitator for domestic tourism promotion,

Again, on behalf of the National Tour Association and the tourism industry, I thank you for your leadership in gaining this forum for discussing this vital interest.

Thank you.

Senator PRESSLER. Thank you all three for your excellent statements and for being here.

I would like to ask Mr. Snyder, you have pointed out eight important concerns that you feel should be addressed in the domestic tourism program. You suggested that a regional organization be set up to address domestic tourism. How should this be funded, and expand on the plan a bit?

Mr. SNYDER. Okay. I think at this particular point it is probably difficult, considering the problem you had passing the USTTA legislation through the House and having it approved by the administration, to expect that you would get a large-scale increase in funding for a broad regional concept for domestic field offices.

Therefore, I would like to suggest that a possible alternative would be to set up a test case in which you obtain the approval from the states, cities, private sector, and the Federal Government, to organize and implement one field office for a test, agree on a plan, obtain suitable office space and secretarial support in one of the district offices of the Federal Government, of which there are many, which would cost very little money.

Hire an individual, set up a plan, measure it, and report back to the Congress in a year. That is how I would follow through to obrtain this program.

Senator PRESSLER. Now, has the ABA addressed the issue of tourism and the environment? What plans do you have to protect the environment, especially in our national parks?

Mr. SNYDER. Well, we have been very interested in the environment in relation to the bus companies and all the other elements of travel and tourism. It has been a serious problem throughout the country. To give you an example, several months ago many vendors were located around this area and there was a concern that the buses were actually bringing the people that did most of the business with the vendors, so there was an agreed-on solution to move the parking spaces for the buses to another area, which we complied with and worked very closely with the U.S. Capitol personnel in achieving that. Therefore, you reduced the problem of congestion and made it easier for people to come and visit the Capitol.

There are also other concerns about of noise pollution, airlines using facilities and flying over beautiful attractions, and other specific examples in our industry where we have worked closely with our members in trying to achieve the best possible solution.

Mr. SANTINI. Mr. Chairman, could I emphasize, too, that the motor coach is the preferred environmental mode for transporting large numbers of people to and from the national parks. It is probably an indispensable part of moving large numbers of people in and out of national parks, as we plan for the future, in both the 20th century and the next century as well.

Senator PRESSLER. Well, Senator Ford mentioned methanolized fuel.

Has the ABA considered, or has anybody considered converting buses used in national parks to methanol?

Mr. SNYDER. It is something that has been discussed on a general basis, but we have not taken a position.

Senator PRESSLER. I do not know if it would be able to be purchased at all points and places, but it is probably something we would all be in favor of if it could be done.

Mr. SNYDER. Well, it is an issue that has been in effect for several years and something that has been talked about, but it is not something that we are working on at this point.

Just to back up, what Mr. Santini said about the national parks, we have had treat success there, and a lot of business is done at the parks with the bus companies, especially since deregulation.

Senator PRESSLER. Let me ask a final question of Mr. Snyder, and anybody else can chime in.

What do you see as the main problems you have had working with our national parks and national recreation areas?

Mr. SNYDER. I think probably the main problem that I have heard about over the years is lack of information. The tourism coordination section of the Park Service has worked very closely with ABA, and Priscilla Baker, who testified today, has been a close ally and friend of the bus industry.

But when you listen to some of the key employees of the Park Service talk about the lack of promotional material, their lack of good brochures and information on the parks, its a sad situation to think that here are these glorious parks out here, many of whch a lot of people have no idea how to get to, and the information is just not available in ample supply.

Furthermore, several of the parks that our operators would like to visit, doesn't materialize because the information is lacking as well as good promotion of the parks, but we have had great success in other areas working with the National Park Service.

I served last year on a domestic task force that looked into tour packaging with the bus companies. We visited various park facilities in Pennsylvania and reviewed the different tourism plans that they had prepared, we made recommendations to the officials about increasing employment and how to bring more tourists on buses into their community, and it worked quite well. I would say that the National Park Service has done a terrific job in keeping us informed, but there is a terrible lack of information, especially brochures.

Mr. SANTINI. Mr. Chairman, your question is particularly timely because as we discourse this morning, the National Commission for Americans Outdoors, which was instituted this year as a followup to the failed legislative initiative and then the administrative institution of this commission earlier this year, is examining at least in part the very question you asked, and the new director, William Penn Mott of the National Park Service has announced his own 12 point program.

Putting these side by side and coordinating them with your domestic tourism hearing, it seems to me particularly appropriate at this time to try and dovetail that national commission initiatiave, the firm new direction that Director Mott has instituted, with your legislative probing of these basic questions about national parks, our future and the role of the motor coach and other supplier entities as well.

Senator PRESSLER. Would you all three give your views on user fees and border fees? We need to raise more revenue in the Federal Government. I am always trying to allocate these Federal expenditures better, but we do have a problem in keeping the bills paid, as you may have read in the papers, with a $200 billion deficit. We are not going to pay the derficit with this, but give me your concern over use of these and other types of fees, border fees and so forth.

Mr. FICHTENBAUM. Generally speaking, Mr. Chairman, speaking for the Travel Industry Association, we tend to oppose fees of this kind as a deterrent to tourism, and generally speaking, seek to discourage their implementation.

Senator PRESSLER. Are they a proved deterrent to tourism?

You know, we run a lot of things in the Federal Government for free, and I guess the concept is that they should be for free, but they are not free because all taxpayers pay them, but if a small fee—I do not know what it costs to go to the movies—well, I do know what it costs to go to the movies, anywhere from $4 to $8 usually, which is about an hour and 45 minutes of entertainment, but has it been proved that user fees are a deterrent? Do we in fact have any comparisons on that?

Mr. FICHTENBAUM. I am not aware of any such figures, Mr. Chairman, but anything that inhibits and puts obstacles in the path of tourists, whether at border crossings or having to enter and use our facilities, I think inevitably just a priori I would assume is a deterrent.

Mr. SANTINI. Mr. Chairman, the National Tour Association is opposed to the border fee, whether motor coach, passenger, airplane passenger, cruise line passenger. With regard to the use or entry fees that are proposed in national parks and other national facilities, essentially the position of the National Tour Association is that we appreciate that some reasonable fee is a necessary part of passenger and vehicle use of that national facility.

What concerns us very much, however, and it is an enormous caveat, conditioned somewhat on the TIA concerns expressed just a minute ago, an enormous caveat is that given past performance in the Office of Management and Budget, if they perceive that the motor coach and the motor coach passenger, for example, can help balance the budget, if you will, or defer the maintenance and operational costs of the park, we are very apprehensive about unfair, abusive or excessive fees being imposed for use of the facility, and given the prejudice of at least the money managing part of the administration about tourism and travel in general, we are much concerned that increased fees not be used solely as a revenue generating matter, or number two, used as a means to discourage people from coming to or going from our national parks and other national facilities.

Mr. SNYDER. The ABA would also support that. We are not at all interested in border fees. If you get right down to it, the majority of the bus industry is made up of small business. I have had the opportunity to visit some of these places of business, talk to some of the owners, which are typical of the travel industry as a whole. Many are very small companies, four or five buses at the most, and to think that you would add a terrible responsibility of a fee onto all of the existing fees that they are already paying would be a travesty.

All right, now, we are dealing with the serious problem of insurance, which I hope this committee will take up in the future, in which elaborate insurance fees are being charged these small companies.

So think that the state of the industry which is quite ripe in terms of the aggressiveness and interest in maintaining the companies as a small business, the thought of increasing or adding on any additional fees, especially at the border, as there is some concern, would be negative and accepted as irresponsible by the American Bus Association.

Senator PRESSLER. I want to thank the witnesses.

Your testimony has been very useful. I thank you very much.

And with that I will call forward our final panel, who are Mr. Henry Kelly, Project Director, Office of Technology and Assessment; Eugene Dilbeck, Oklahoma Tourism Recreation Department; and Destry Jarvis, National Parks and Conservation Association.

We will start in the order listed.

Mr. Kelly?

STATEMENTS OF HENRY KELLY, PROJECT DIRECTOR, OFFICE OF TECHNOLOGY ASSESSMENT, ACCOMPANIED BY ANDREW WYCOFF; EUGENE DILBECK, OKLAHOMA TOURISM RECREATION DEPARTMENT; AND DESTRY JARVIS, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Mr. KELLY. Thank you, Senator. I have with me today Mr. Andy Wycoff the Office of Technology Assessment, who did a lot of economic analysis.

Thank you for the opportunity to appear before you today to discuss the important question of the future of the industries that support tourism in the United States. The material I will be presenting here is taken from an ongoing OTA assessment, Technology and the American Economic Transition, designed to examine the ways that emerging technologies may reshape opportunities for economic growth, employment, and improvements in the quality of life of Americans. I would like to acknowledge the help of Mr. Robert Howard and Mr. Andrew Wyckoff, who have worked closely with me on this portion of the project. This study was requested by the chairmen of eight congressional committees, including the Senate Commerce Committee.

Our analysis is based on detailed studies of eight major segments of the American economy. We elected to divide the economy into segments that deliver goods and services to each major category of consumer expenditures. One of the eight segments covers the group of businesses that serve the American market for recreation and leisure. The analysis was divided, somewhat arbitrarily, into two portions: The industries that supply recreation and entertainment services within the home (primarily publications, television, and other electronic media) and those that concentrate on away-from-home entertainment and leisure activities. The following remarks will concentrate on the away-from-home part of this analysis. Since our work is not yet complete, I can only give you a progress report in my presentation today.

HOW BIG IS THE INDUSTRY?

One of the first tasks we confronted was the problem of identifying exactly what the outdoor recreation and leisure industries were. It was obvious from the beginning that the businesses involved were extremely diverse and that many of them were relatively small. Moreover, they seldom thought of themselves as a single "industry" in the way, for example, that the collection of businesses that provide health products and services think of themselves as a "health industry."

We have taken a broad definition of the industry and have included businesses that help get people where they want to go, businesses that provide hospitality services when they get there, as well as businesses that provide the recreation services offered at the destination itself, whether the destination is a sports event, a national park, or a cultural center.

As we discuss later, part of our analytic difficulties in identifying these industries results from the inadequacy of the data, but another important difficulty results from a fundamental inability to distinguish the intent of purchases. How do we distinguish expenditures on recreation from spending on transportation or food? The businesses involved in away-from-home recreation are so diverse that complications seem endless. For example:

—Did someone go hiking for recreation or was fitness a major purpose? There is good reason to believe that improved fitness was responsible for the sharp decline in the incidence of heart disease experienced by Americans during the past decade. Should we count the trip as a "health-related" investment?

—Was the trip made partly for educational purposes? Whether we admit it or not, most travel is an intense learning experience. The first thing that many of us learn in school is that if something is fun it can't be education. Overcoming this dilemma is one of the major challenges of educational reform. Trips somehow enable most of us to overcome the immune systems that protect us from learning experiences. People who cringe at the very thought of a schoolroom gladly read the captions at museums, hike over the walls of ancient forts and chat with the locals about everything from the weather to the state of the region's economy.

—Should we exclude all travel and hotel expenses associated with a convention trip to Las Vegas because of the nonrecreational purpose? Suppose someone is caught having fun?

—How can we allocate driving expenses? The data here is particularly exasperating since no national survey of American travel has been taken since 1977.

It is important to recognize that the Federal Government as well as State and local governments make a significant direct contribution to the provision of outdoor recreation. The Government, of course also provides key infrastructures that support private business activities. The contribution ranges from road maintenance to the staffing of key attractions such as parks and civic cultural centers.

A common measure of recreation and tourism's economic impact is the U.S. Travel Data Center's definition of the "U.S. Travel Industry." From 1973 to 1983, revenues of the U.S. travel industry have grown from $75 billion to $219 billion and from 5.7 to 6.6 percent of total GNP. More than half of this revenue comes from "Eating and Drinking Places."

But the recreation and tourism sector extends beyond the travel industry itself. We have tried to develop a more comprehensive measure of the sector. Working from the 1972, 1977, and 1982 data from the Bureau of Census, we have tried to combine information about business activity and employment in the travel, wholesale, retail, and other service industries which directly serve recreation and travel markets. In doing this we have organized these businesses into three broad categories: Firms providing opportunities for recreation and tourism, those facilitating access, and those facilitating participation. Our preliminary analysis indicates that counted in this way, the travel and recreation industries are considerably larger than indicated. We hope to be able to provide the committee with this data shortly.

The task of preparing adequate information about these industries is frustrated by the way the Government collects information. It is now well known that census statistics on service-related industries are poor. Data on the outdoor recreation and travel industries is particularly poor. Businesses that share few characteristics are lumped into enormous and undifferentiated categories. The result of this is that while OTA has worked with the industry to develop a reasonable classification of outdoor recreation and leisure industries, we have difficulty converting existing government data into the appropriate format. As a result, we have been forced to weave together data from a variety of public and private sources—primarily trade organizations. The end product is not always satisfying. Data on recreation-related expenses and employment provided by the Government is often weaker than the data provided by private businesses.

EMPLOYMENT

The rapidly growing demand for recreation and tourism during the past two decades has made the recreation and tourism sector an increasingly important source of employment in the American economy. According to the U.S. Travel Data Center's definition of the travel industry in 1972, the industry employed some 4.5 million people (a little over 6 percent of the U.S. workforce). By 1983, it was employing 7.4 million people or 8.2 percent. Our expanded definition of the sector shows considerably larger employment.

Will employment in the recreation and tourism sector continue to expand at the same rate? The evidence is mixed. On the one hand, the service and retail jobs that make up the vast majority of the sector's workforce are not easily replaced by labor-saving technology. This would suggest that the sector will continue to be labor intensive. In fact, a recent analysis of the lodging industry (by Albert Gomes of the accounting firm Pannell, Kerr & Forster) suggests that the hotel industry is becoming even more labor intensive. (In 1933, there was one employee for every five hotel rooms. In 1982, there was one for every two rooms.)

On the other hand, if there is indeed a slowdown in the rate of growth of recreation demand, as some observers seem to suggest, then demand for labor may drop as well. Another downward pressure on workforce levels is the decrease in the numbers of young people who have traditionally worked in the recreation and tourism sector. Whether this will mean less job growth or whether the industry will simply turn to new categories of workers—the elderly, for example—remains to be seen.

While the sector has clearly generated a significant amount of employment, many of the jobs created directly by hotels, travel, restaurants, and amusements do not offer high wages or significant opportunities for advancement. This is not necessarily true of the large number of jobs created indirectly since many of these involve relatively high-wage manufacturing and producer service occupations. Figure 1 [1] shows how the wages paid by several representative recreation-related industries compared with average U.S. wages. Since it will be difficult to increase the labor productivity of many of the occupations involved, it is difficult to see how wages can be expected to catch up with those in industries where productivity advances can be much greater. We will be investigating this problem more carefully in the future.

INDIRECT BUSINESS AND EMPLOYMENT EFFECTS

The statistics just shown concentrate on the direct services supplied by hotels, transportation, and other businesses. This focus seems appropriate since it is assumed that away-from-home recreation and leisure businesses provide services. But in some ways this is a misleading impression. Most of the so-called services provided in the United States involve the purchase of enormous amounts of stuff, much of it by individuals. Outdoor recreation means purchases of everything from tennis rackets and hiking shoes to recreation vehicles. The businesses themselves purchase manufactured products ranging from french-fry slicers to jet aircraft. Hotel construction represents about 5 percent of commercial construction. It is, of course, difficult to separate out all of these connections, particularly in areas like clothing and footwear where it is extremely difficult to separate purchases made for recreational purposes from others. Some of these problems can be resolved systematically by looking at the national input/output tables to see the indirect effects of recreational purchases. Table 3 shows the major business activities and employment indirectly associated with a variety of recreational purchases. The money spent on recreation generates a significant amount of business in virtually every category of American industry. In some cases the indirect business that is generated is greater than the activity more easily defined as recreation.

FORCES OF CHANGE

A number of changes in the economy have the potential to significantly reshape the away-from-home recreation and leisure industries during the next two decades. While a detailed analysis of these forces, and the opportunities and problems that they present for the industry, will be presented when we complete our report, I will try to summarize some recent work.

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[1] The material supplied was not reproducible.

The U.S. population is changing and will continue to change in ways that will profoundly influence the market for businesses we are discussing here today. Three trends deserve special attention. First, the "baby boomers" (births from 1945 to 1965) are approaching middle age and changing their spending habits. Second, the elderly represent a growing fraction of the population, with the fastest growth rates concentrated in the post-85 age group. The first "baby boomers" will be retiring by the turn of the century. Decreases in death rates have resulted in longer life expectancies and larger numbers of elderly people. Improved income maintenance programs for the elderly allow them to enjoy their longer lives by making increasing use of the Nation's recreation and leisure industries. And finally, the nature of American households is changing. Female work patterns are approaching that of males. Households with a working husband, a "housewife," and children at home represent only a fraction of all U.S. households today.

Figure 2 illustrates the growth in recreation (but not travel) purchases during the last 50 years. Clearly Americans have chosen to use their increased income for more recreational activities. Measured as a fraction of total income, the pattern is less clear. The rather steady growth evident in the 1950's and 1960's has been replaced by a rather uncertain pattern of growth in the last decade.

Tables 4a–b and 5a–b summarize how different American households spent their recreation and travel money. Table 4a–b shows per capita household spending[2] for four major away-from-home activities and table 5a–b shows this spending as a fraction of household income.[3] The data deliver a mixed message. Spending for entertainment services declined as a fraction of household income for most of the household types illustrated with the largest declines recorded for the elderly. On the other hand, spending for hotels and motels increased significantly for every household type, with elderly households recording some of the largest increases. The fraction of household income spent in restaurants remained surprisingly constant during the decade.

In absolute terms, young, single individuals spend more on restaurants, air fare, and entertainment than other household types in both years sampled. Their consumption in each of these categories increased between 1972–73 and 1983–83 (see table 4a–b) even though spending declined slightly as a fraction of their income (see table 5a–b). The aging of the baby-boom generation will plainly have an effect on the industries affected. Childless couples headed the list of spending for away-from-home lodging in both years.

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[2] If a family of four spends $100 a year in restaurants, per capita spending will be shown as $25 per year.

[3] For the lowest income cohorts, total spending may exceed total income. Many low income households are forced to draw on their savings. Some of the discrepancy may be due to inaccurate reporting of either income or spending. Spending patterns best be understood by comparing the results of tables 4 and 5 since household spending in the categories illustrated differ far more when measured in absolute amounts rather than as a fraction of income. The data is drawn from a relatively small sample taken by the U.S. Bureau of Labor Statistics and must be used with some caution. (Among other things it was only gathered for the 2 years indicated and there will always be the argument that the years chosen are not "typical". The problem, of course, is that there are no typical years. The 1972–73 survey was taken as the country was entering a recession and 1982–83 was taken as one was ending.

The tables also suggest that a number of families are not able to make much use of the recreational industries shown. For example, single parents, the vast majority of whom are women, spend virtually nothing on travel or entertainment. Most of their recreational spending is probably in "fast food" restaurants but even this declined over the decade.

Despite of the high value of the dollar, foreign tourists are visiting the United States in record numbers. Figure 3 summarizes some recent data. Table 6 shows where the foreign money was spent. While Americans still spend more abroad than foreigners spend in the United States (we have suffered a negative balance of trade in travel and tourism in most recent years) it is obvious that without encouraging tourism in the United States the balance would be even worse.

Vast improvements are likely in the technologies for entertainment that are available in the home. Americans have clearly shown an enormous hunger for more and better audio and video equipment. More home in the United States have television than have indoor plumbing. Over 30 percent of all homes now have video tape recorders. Will improved home electronics mean declining business for the away-from-home recreation industries? Will we all stay at home watching television thrillers filmed in the Black Hills rather than traveling there ourselves? Or will the new electronic technologies make it more likely that people will learn about attractions and recreational opportunities and thereby increase business for away-from-home recreation industries. (One member of our advisory panel came from ABC and pointed out that the cruise-boat industry boomed after the television series "Love Boat," people headed for White Water by the thousands after the popular film "Deliverance," and even the library business surged after Fonzie got a library card in an episode of "Happy Days.") There is little hard data to support either side of this argument, but the lack of data does not diminish the importance of the issue.

On the basis of anecdotal information, however, we are tempted to side with those who argue that advances in electronic information technologies will increase away-from-home activities rather than replace them. New home entertainment technologies are more likely to replace existing home media markets since there actually seems to be a limit to the amount of time we are willing to spend in front of the television, regardless of the programming quality. New computer, video, and communication technology has the potential to expose more people to a greater variety of domestic tourist destinations. They may also make it easier to place reservations and eliminate some of the uncertainty associated with travel. The travel industry hopes that they can make it possible for prospective clients to preview potential destinations using interactive video equipment and actually see the interior of the hotel they plan to visit, and even the room they have reserved. Video may help people learn about a greater variety of sports and even facilitate self-instruction. These connections are complex and fascinating, and they deserve further attention.

The recreation activities of most people are constrained by limited time as well as money. We are trying to combine an assessment of time and money resources to understand some of the trends we have seen in recreation during the past generation. It is interesting to notice, for example, that people report less free time today than they have at any period in the past. Between 1965 and 1975 there was a strong movement away from time spent doing housework and informal "visiting" and toward television watching. Limited data from the early 1980's suggest a reversal of the movement away from "passive" television watching and toward more "active" leisure activities. We are waiting anxiously for data from the 1985 time-use survey.

Rapid changes in energy costs, the introduction of wide body jets and other improvements in transporation technology, uneven rates of change in wages paid to different professions, and a variety of other factors have significantly affected the relative price of recreation and leisure activities. Trends in some of these costs are shown in figure 4-7. These figures show rates of change in prices ~~in~~ terms of the buying power of the average American. The tables show how different households spend their money. Of course, there is enormous diversity in spending habits, and it is unwise to conclude too much on the basis of averages. What we see from the figures is that, despite the energy crisis, auto travel is an increasing bargain. On the other hand, hotel costs have gone through some peculiar changes with real costs falling for a decade and now rising in terms of real purchasing power.

Will these trends continue? We are now investigating some of the major factors. Much will depend on wages and energy costs. By the end of the century, for example, the United States will probably be importing more oil than it did in the peak periods of the 1970's. And a much higher fraction of the world's remaining oil resources will be concentrated in the Arab States. We will need to make major strides in automobile and aircraft technologies and technologies for substituting natural gas and other fuels for petroleum during the next two decades if we want to ensure adequate supplies at acceptable prices. Such technologies are clearly available. The future of the outdoor recreation industry depends heavily on whether we will have them ready when we need them.

Senator PRESSLER. Thank you. Your charts are fascinating. I looked at them here, and I think the work you are doing over at OTA is very useful, and we need to have more done in this area. So I appreciate that very much.

Mr. Dilbeck, please.

Mr. DILBECK. Thank you, Mr. Chairman.

I appreciate the opportunity of being invited to represent the state travel directors before this committee and would like to ask that my full statement be submitted for the record.

As chairman of the National Domestic Marketing Task Force, it is my priviledge to present the progress being made by the National Council of State Travel Directors and the Travel Industry Association of America in developing a national domestic marketing program, and the rationale behind the creation of this program.

The impact of travel on the U.S. economy is significant. In 1984 the travel industry generated over $225 billion in business receipts, $25 billion in tax revenues, $51 billion in payroll for nearly 4.7 million jobs. It is this country's third largest retail industry.

Today the travel industry is probably facing the keenest competition that has ever existed. Consumers are investing heavily in durable goods instead of returning to the previous travel patterns of the 1970s. There is also strong competition from the international market for the domestic travel dollar.

Americans are traveling less today than they did in 1979. The number of vacation trips and the length of those trips has been slow to increase. However, it appears that 1985 will be a big year for domestic travel. Late in 1984, based upon comments and concerns expressed by the leaders in the travel industry, the need for a national domestic marketing program was identified by the National Council of State Travel Directors and the Travel Industry Association of America. Because the Federal Government was unable to direct the development of such a project, the National Council of State Travel Directors agreed to accept a leadership role in developing the national marketing program.

The State government travel offices provide an equitable geographic representation from all parts of the country. In February 1985 the National Domestic Marketing Task Force was created for the purpose of developing ongoing strategies and methods to increase travel in the United States and its territories. I was selected as chairman along with Charles Heatherly of North Carolina as the vice chairman, and the membership of the task force includes 13 state travel directors.

In order to effectively develop and implement a domestic marketing program acceptable to the total U.S. travel industry, the industry was surveyed for information. The results of the survey indicated a strong desire for a domestic marketing plan, and a nearly unanimous commitment to participate in the program.

With support from the industry, the task force established the marketing plan objectives. These were to increase the domestic travel by raising the public awareness of the U.S. travel product through promotion of industry programs around a generic theme. As development of the marketing plan progressed, additional information was needed concerning the characteristics of the American traveler and theme preferences.

The task force elected to conduct a national consumer research project to measure travel behavior, attitudes and preferences as they relate to travel and vacationing in America and to test theme ideas. Using focus groups, sessions were conducted in seven regional cities across the United States. The result from the consumer research project showed that travelers feel there is much for them to see in the United States and that they would like to see more of it. They are primarily motivated in their domestic travel by the desire to either see family and friends or to just get away and explore.

All seven of the focus group sessions unanimously determined that the theme with the greatest consumer appeal was Discover America. With the data collected from the research projects, the task force has the necessary information to complete development of the national domestic marketing plan to ensure that the plan incorporates viewpoints from both the public and private sectors of the travel industry. It will be drafted as a joint effort between the members of the domestic marketing task force and the USA Marketing Council.

The first joint meeting of the task force and Marketing Council was held in October of 1985. Once the final draft is compiled from the discussion in that meeting, it will be distributed to the tourism and travel industry for review and comment.

The final draft of the marketing plan will be completed after consideration is given to these comments, and those have been received, and then we hope to implement the program sometime in 1986.

Thank you, Mr. Chairman. That concludes my statement. I am happy to answer any questions.

[The statement follows:]

STATEMENT OF EUGENE DILBECK, CHAIRMAN, NATIONAL DOMESTIC MARKETING TASK FORCE, DIRECTOR OF MARKETING SERVICES, OKLAHOMA TOURISM AND RECREATION DEPARTMENT

As chairman of the National Domestic Marketing Task Force, it is my privilege to present the progress being made by the National Council of State Travel Directors [NCSTD] and Travel Association of America [TIA] in developing a National Domestic Marketing Program, and the rationale behind the creation of this program.

The impact of travel on the United States economy is significant. Travel expenditures in the United States by residents and foreign visitors generate receipts for a host of businesses, income and employment for a multitude of Americans, and tax revenues for governments at all levels. If viewed as a single retail trade industry, travel is the third largest in terms of sales and the second largest private employer. In 1984, the travel industry generated $225.1 billion in business receipts, $25.2 billion in tax revenues, and $50.9 billion in payroll for 4.7 million jobs.

The potential for the U.S. travel industry is great. In fact, it has been said that travel could be America's No. 1 industry by 1990.

Today, the travel industry is facing probably the keenest competition that has ever existed. Emerging from the recessionary years of the early 1980's, discretionary income has expanded impressively. But domestic travel by Americans has remained disturbingly flat, showing no significant signs of returning to earlier growth patterns. During the recent economic recovery, the consumer has opted at a growing pace to invest heavily in durable goods such as automobiles, home appliances, video and audio equipment, furniture, home improvements, etc., instead of returning to the previous travel patterns. There has been a $100 billion increase in the sale of consumer durables, while increases in discretionary travel receipts have been all but negligible.

In addition to the external competition supplied by the purchase of durable goods, there is strong competition from the international market for the domestic travel dollar. This is brought on primarily by the great travel value that exists as long as the U.S. dollar remains strong against foreign currency.

There is also a great increase in competition between states and regions for domestic and foreign travelers. This is evidenced by the significant growth in state and regional advertising and promotion budgets which increased an average of 23 percent in 1984.

There have been other major influences in recent years that have impacted domestic travel patterns such as the significant increase in transportation costs. With the gasoline shortages in the late 1970's, people began to change their travel patterns. The shortage of gasoline caused a sharp increase in the cost of fuel which influenced the distance people would travel from home on vacation. The cost of automobiles also increased sharply, further straining the amount of discretionary income which Americans could allocate to personal travel.

These economic conditions have influenced the priorities people place upon their personal budgets. With the reduction in discretionary income during the recessionary years, a pent-up demand has been created for durable goods as well as for vacation travel. The economic conditions of the late 1970's and early 1980's continue to influence the U.S. travel industry today. That raises the question: What is the status of vacation travel in America?

Today, Americans are traveling less than they did in 1979, the peak travel year in recent times. The number of vacation trips that Americans are taking is rising slightly, but remains weak; the length and time that people are putting into their trips also show slight increases but, again, remain considerably low. The number of person-nights and vacation person-nights that people are spending away from home have been slow to increase.

However, 1985 appears to be a big year for domestic travel in comparison to 1983, which was a low point in U.S. vacation travel. In fact, it appears that Americans are starting to satisfy their pent-up demand for vacation travel.

Late in 1984, the need for a national domestic marketing program was identified by Randy Wagner, chairman of the NCSTD, TIA's National Chairman Bob Giersdorf, and TIA President Bill Toohey. This need was based upon comments and concerns expressed to them by leaders in the travel industry.

In December, 1984, Chairman Giersdorf and President Toohey met with the Board of Directors of the NCSTD to ascertain a solution to the lackluster growth of the domestic travel industry. It was agreed that a national effort to increase the awareness of vacation opportunities in America was very necessary and should be organized immediately.

With the Federal Government unable to provide leadership to the development of a national marketing program, attention was turned to the private sector. It became apparent, early on, that no single segment of the private sector could effectively represent the total industry, therefore making it impractical to consider this approach.

Consideration was then given to the NCSTD, who agreed to accept the leadership role in developing this program. The state government travel offices provide equitable geographic representation from all parts of the country. The NCSTD has proven its ability to effectively implement a national effort through its pivotal role in the successful "Discover America" domestic promotion program conducted by TIA during the early 1970's. It is an organization that involves and coordinates all segments of the U.S. travel and tourism industry at the grass-roots level. TIA National Chairman Bob Giersdorf endorsed the NCSTD by saying, "A coordinated domestic marketing program has long been needed within our industry, spearheaded by the State Travel Directors working with all components as represented under the TIA umbrella—a significant breakthrough is at hand."

TIA President Bill Toohey stated, "There is a need for an industry-wide effort to put together a national marketing program, and there is not a finer group in the country than the NCSTD to tackle that job."

Randy Wagner, Chairman of the NCSTD, put it this way: "We believe the state government travel offices are exactly the place to undertake such an effort. It will insure that the program will reach and benefit all sections of the country—towns, cities, states and regions—by building renewed consumer awareness of the great diversity of activities, attractions, and destinations in our own nation."

On February 5, 1985, in Washington, D.C., the National Domestic Marketing Task Force was created. The NCSTD joined with TIA to create the Task Force for the purpose of developing ongoing strategies and methods to increase travel in the United States and its territories.

Eugene Dilbeck, Oklahoma, was selected as chairman, along with Charles Heatherly, North Carolina, as vice chairman. The membership for the task force includes 13 State travel directors.

TIA graciously accepted the responsibility of providing administrative and technical staff support. This included financing the development of the Domestic Marketing Plan.

It is important to note at this point that the National Governor's Association has also identified the need for a national domestic marketing program for the travel industry. The association is currently waiting to see this completed domestic marketing program which will be presented to the Nation's governors for endorsement at their February 1986 meeting.

Furthermore, the USA Marketing Council, chaired by James C. Collins, senior vice-president of marketing, Hilton Hotels Corporation, has offered their support as an advisory group in development of the Domestic Marketing Plan, and the task force has accepted.

The first assignment for Chairman Dilbeck was to develop the structure for the task force. At the first meeting in February 1985, in Washington, D.C., four study groups were outlined to collectively develop the marketing program.

The first study group was the Marketing Concepts Study Group, chaired by Charles Heatherly, North Carolina, with Phil Keene, Arizona, serving as vice-chairman. The Marketing Concepts Study Group was assigned the responsibility of: (1) defining the program goals and objectives; (2) developing a recommended marketing approach and focus; (3) selecting an initial theme and logo for review and comment by the industry; (4) soliciting marketing program concepts from the U.S. travel and tourism industry, and determining their support for a National Marketing Program; (5) reviewing previous national marketing programs for ideas and applicable concepts. The programs under review included, "See the U.S.A." from the early 1960's, "Discover America" from the early 1970's, and a government/private-sector program proposal that was briefly explored during the bicentennial years; and (6) recommending the program concepts and how they would be implemented.

The second group appointed was the Program Study Group, chaired by Charles Heatherly, North Carolina. This group was assigned the responsibility for developing: (1) 1986 goals, objectives and strategies; (2) a comprehensive public relations program; (3) advertising and promotions program strategies; (4) a system of coordination and participation among states, regions, public and private sector segments; (5) industry support and endorsement for the program; and (6) a strategy to implement the marketing plan.

The third group appointed was the Research Study Group, co-chaired by Marilyn Tomasi, Ohio, and Dick Rust, Massachusetts. This group was formed for the purpose of: (1) developing a method of testing consumers' behavior and attitudes toward travel in America; (2) testing several theme ideas and determining the most appropriate one for this campaign; (3) establishing criteria for measuring the objectives set forth by the Program Study Group; (4) establishing benchmarks for data comparison to determine program impact on the travel industry; and (5) identifying available secondary data sources which would give insight into growth patterns and history of the United States' travel industry.

The final group formed was the Budget and Finance Study Group, chaired by Bill Taylor, Washington. Its responsibility primarily was to: (1) establish a budget to finance development of the marketing program; (2) identify available funding sources; (3) investigate fund-raising activities and programs which might generate funds needed for implementation; and (4) establish budget controls and a procedure for overseeing the administration of the funds.

To effectively develop and implement a domestic marketing program acceptable to the total U.S. travel industry, the Task Force agreed that the industry should be surveyed for needed information to: (1) provide the task force with direction in planning the program strategies; (2) provide the industry an opportunity to input ideas and suggestions; (3) provide theme ideas and program elements; (4) determine the kind of funding support that existed among the various state travel offices; and (5) determine the willingness and ability of the industry to implement and participate in the program at the various regional, state and business levels.

The task force, acting upon the recommendation of the Marketing Concepts Study Group, adopted the questionnaire methodology to conduct the survey. Task force and TIA personnel jointly developed the questionnaire and mailed it to industry representatives in May, 1985. The questionnaire was adapted to two audiences: (1) the members of the NCSTD; and (2) the industry segments under the TIA umbrella.

The results of the research study were compiled from nearly 100 responses to the questionnaire Ninety-five percent of those responding supported the need for developing a national domestic marketing plan. There was, also, wide support for developing a generic theme. Ninety-one percent of the state travel directors responding agreed to be involved in coordinating intra and interstate marketing activities while encouraging broad participation by travel industry businesses. Additionally, the survey indicated the state travel directors' broad commitment to provide clearinghouses for measuring and reporting program effectiveness at the state level. There was almost unanimous support from the responding states to fund the developmental cost of collateral materials. Eighty-one percent of all responding agreed to participate in the program. General information was also provide regarding when the industry would need the collateral materials necessary to implement the program, along with additional data needed for the marketing planning process.

The results of the national survey provided the Program Structure Study Group with the information and direction needed to begin developing the marketing program. The group established development of a domestic marketing plan as the primary purpose, incorporating a generic theme to create a renewed awareness among consumers to travel in the United States. The scope of the marketing program would embrace all facets of the travel industry, as well as the United States and its territories.

The objectives of the marketing program would be to: (1) accelerate a significant increase in the number of vacation trips, vacation person-nights, and travel expenditures by Americans, as well as to lengthen trip duration; (2) establish program goals that were reasonable and attainable; (3) enhance the awareness of the U.S. travel product; (4) provide an opportunity for cooperative participation by the public and private sectors for mutual benefit; and finally, (5) select a theme that would be universal in its application, measurable in its impact, and attractive to all segments of the industry.

The plan for the marketing program will include: (1) a public relations campaign which will embrace the expertise of the TIA Press and Public Relations Committee; and (2) the development of collateral materials and support services such as: (a) a national calendar of events; (b) a national photo contest; (c) an 800-toll-free telephone referral service; (d) special motorcoach tours; (3) a series of travel destination feature articles; (f) encouragement of travel and trade promoters to incorporate the theme in their promotions; and (g) solicitation of governmental support in the form of a presidential proclamation, resolutions from the U.S. Senate and House of Representatives and similar actions requested from each governor and state legislature.

As development of the Marketing Plan progressed, it became apparent to each of the study groups that additional information was needed concerning characteristics of the American traveler. They also found no clear-cut theme idea from the results of the industry survey.

In order to fill these two voids, the task force elected to create a national consumer research program to test five popular theme ideas, in addition to measuring travler behavior, attitudes, and preferences as they relate to travel and vacationing in America.

The methodology selected for this consumer research project was the use of focus groups. Focus group sessions were conducted in seven regional cities which provided equal geographic representation within the United States. The cities selected were: Oklahoma City, Oklahoma (Frontier West); Denver, Colorado (Mountain West); Seattle, Washington (Far West); Greensboro, North Carolina (South); Boston, Massachusetts (New England); Newark, New Jersey (Eastern Gateway); and Chicago, Illinois (Great Lake Country). Each focus group was limited to persons who had vacationed in the past year and whose annual household income exceed $30,000. The consumer research project was completed on September 10, 1985.

The results from the consumer research project showed that travelers feel there is much for them to see in the United States and that they want to see more of it. They are motiviated in their domestic travel by the desire to see family and friends or to get away and explore. Travelers participating in the research project were categorized into two travel types: (1) "The Explorers," people who aggressively seek to immerse themselves in a trip, to learn new things, to be stimulated, and to find things that are different; and (2) "The Visitors," travelers who seek relaxation and escape from their daily routines.

Short trips were appealing to both traveler types, while long trips were more customary for the explorer-type. Long domestic trips completed directly with trips to international destinations for travel dollars.

Although travelers throughout the United States are maintaining their plans to travel, economic conditions may influence them to take long trips every other year rather than each year, with shorter, more frequent trips being taken on an annual basis.

Regarding travel expenditures, travelers were categorized into two types: (1) The cost-conscious, moderate traveler—who is conscious of cost, but would exceed constraints of the family budget for travel; and (2) The cost-conscious/heavy traveler—who seeks the lowest prices for services and to whom package deals have a great appeal.

The expenditure levels for vacation travel range from $1,200 to $2,500, depending upon the type of traveler—explorer or visitor. Marketing implications are that domestic travelers are motivated to see specific destinations; that information about destination areas is limited and difficult to obtain; and that domestic travelers see price advantages to traveling in America, with short vacation trips being popular for domestic travel.

As stated previously, a major objective of the national consumer research project was to test five popular theme ideas. The ideas were: "Trip Over America"; "Discover America"; "America. Catch the Spirit"; "America, the Vacation Nation"; and "Discover America! The Vacation Sensation."

It was unanimous among all seven of the focus group sessions that the theme with the greatest consumer appeal was "Discover America!"

With the information collected from the industry questionnaire and the national consumer research project, the task force now has the necessary information to complete development of the National Domestic Marketing Plan. To insure the marketing plan reflects both the public and private sector portions of the travel industry, it will be drafted in a joint effort between the members of the Domestic Marketing Task Force and the USA Marketing Council.

Once the initial draft is completed, it will be distributed to tourism and travel industry segments for review and comment.

The final draft for the plan will be completed after consideration is given to the comments received from the industry, and will be implemented during 1986.

[The following information was subsequently received for the record:]

State of Oklahoma,
Tourism and Recreation Department,
Oklahoma City, OK, November 26, 1985.

Hon. Daniel Inouye,
U.S. Senate, Washington, DC.

Dear Senator Inouye: As chairman of the National Domestic Travel Marketing Task Force, I appreciate your interest in the development of a National Domestic Travel Marketing Plan by the National Council of State Travel Directors. The U.S. travel industry has identified the need for a comprehensive Travel Marketing Plan and the state travel directors eagerly acceped the responsibility of directing its development.

It was an honor to appear before the U.S. Senate Business Trade and Tourism Subcommittee on November 19, 1985. I know that your busy schedule did not allow you to attend, but I do appreciate your questions and will answer them to the best of my ability.

Question. Did you request the USTTA to participate or assist in the development of the National Domestic Travel Marketing Plan?

Answer. The USTTA was immediately identified by the state travel directors as the most logical place to initite the development of the National Domestic Travel Marketing Plan. However, USTTA's legislative mandate clearly makes the agency's prime responsibility promotion of international tourism to the United States. While USTTA, by virture of the language in the National Tourism Policy Act, is not specifically excluded from developing programs which relate to domestic tourism, neither does the act suggest that the Congress intended anything other than small-scale USTTA technical assistance for the states, cities, and the private sector where domestic tourism is concerned. This, of course, was not the view of the Congress when, in the bicentennial years, it did support a temporary government domestic marketing role for USTS (predecessor to USTTA). The Congress subsequently changed from this viewpoint prior to drafting the National Tourism Policy Act.

Question. Elaborate on your statement that "The Federal Government was unable to provide leadership to the development of a National Domestic Travel Marketing Plan."

Answer. Within the Federal Government, the only agency other than USTTA that might appear to be a candidate to perform the essential catalytic role in guiding and coordinating a domstic tourism promotion program would be the Natonal Park Service. While the National Park Service, which operates over 300 top domestic tourist attractions, would appear to have at least an implied responsibility to foster domestic travel, it in fact is legally restricted from promotional activities.

Moreover, the National Park Service orientaton is focused upon the national parks it operates. While national parks are of critical importance to U.S. tourism, the industry's range of interests in promoting domestic travel covers a far broader scope.

Question. Should the Government have taken the lead?

Answer. Yes. They could have created a task force of both private and public tourism industry representatives to direct and guide the development of the marketing plan. Traditionally, national efforts of any sort suggest consideration of an appropriate federal agency in a coordinating role. At the state level, the state travel office serves in a coordinating role for both the public and private sectors of the industry. Inside the Federal Government, no agency is currently allowed to provide that coordinating role.

A successful Domestic Travel Marketing Plan must have broad grassroots participation by travel industry businesses in each state. It must also have the support and participation of major national travel businesses and organizations. Therefore, the NCSTD was the most appropriate organization to lead a national tourism promotion program.

Question. Precisely, what do you feel is the appropriate role for the Federal Government in promoting domestic tourism?

Answer. A Federal Government agency should serve as the national coordinator for the domestic marketing activities outlined in the plan. As a clearinghouse for these promotional activities. This agency would be a central point for distributing materials, recruiting corporate sponsors, monitoring the results and recording marketing accomplishments.

In this role, a federal agency would only need funds for personnel and office space to administer the marketing plan.

Additionally, there is a need to generically promote America nationally as a land of sensational vaction/travel opportunities. Due to the varied political motivations which could influence a federal agency's administration of the advertising, I am hesitant to recommend that the Federal Government assume this role.

Question. Does the National Marketing Plan envision a role for the Travel Service (USTTA)?

Answer. Yes. If the USTTA had a legislative mandate to support the promotion of domestic tourism and adequate funding, they would be the ideal agency to coordinate the administration of the National Domestic Travel Marketing Plan. Otherwise, they will be involved to the extent of showing support and providing endorsement for the marketing plan.

Senator Inouye, you are a respected friend of the United States' tourism industry. Your support of the Domestic Travel Marketing Plan, now being developed by the National Council of State Travel Directors, would be greatly appreciated.

Please contact me if you have a need for additional information regarding the National Domestic Travel Marketing Plan.

Sincerely yours,

EUGENE DILBECK,
Chairman, National Domestic Travel Marketing Task Force,
Director, Marketing Services Division, Oklahoma Tourism and Recreation Department.

Senator PRESSLER. Thank you.

Mr. Jarvis?

Mr. JARVIS. Thank you, Mr. Chairman.

I am Destry Jarvis with the National Parks and Conservation Association. We sincerely appreciate your calling these important hearings. It is high time that this issue was fully explored by the Congress and the administration. We think that, as Mr. Santini said, the juxtaposition of a new and active director of the Park Service, the President's Commission on Americans Outdoors, and your committee's interest in this issue should over the next 12 months or so serve the important purpose of airing these issues and hopefully resolving or coming to some agreement on what course we should take.

The first point I would like to make today is that indeed, from our perspective, which is a focus on the National Park System——

Senator PRESSLER. Tell me what the National Parks and Conservation Association is. I know personally, but for the record.

Mr. JARVIS. For the record, we are a national, nonprofit, tax-exempt conservation organization founded in 1919 by Stephen T. Mather, the first Director of the National Park Service. NPCA is a citizens advocate, defender, watchdog, promoter of the National Parks.

Senator PRESSLER. And you have local chapters in various States?

Mr. JARVIS. We have 50,000 members around the country with an affiliate network of some 200 local park oriented organizations that focus on units of the National Park System.

Senator PRESSLER. Is there an analogous group that is Friends of the BLM Lands or of the National Forests or of the other public lands, or is yours the only one?

Mr. JARVIS. Well, there is an analogous situation with the American Forestry Association relative to the U.S. Forest Service. There are, of course, groups interested in other aspects of the public lands. I do not believe that there are any other groups that focus as exclusively and thoroughly on one agency of the government as ours does.

I have on my staff more professionals working on the National Park System than all of the other conservation organizations combined. And that is our forte. It is a narrow focus but we think an in-depth focus, and one that we believe provides constructive advice and support and occasionally criticism to the National Park Service and to the Congress where appropriate.

The issue of domestic tourism and the promotion and management and protection of the National Park system are inextricably linked, in my judgment. They not only share the common roots that I have noted in my testimony, but in order for the mission of the Park Service to be accomplished, that is, the preservation of these unique resources, we believe that there is a vital role for the tourism industry to play for that mission to be carried out, not only to facilitate the Park Service's missions, but that of industry which is the promotion and development of tourism. The two are tightly linked.

While on the one hand tourism has the potential to pose a threat to the integrity of park resources, we believe that the overriding issue is that they serve as potential allies. Allies which in working together better than they do at present, the mission of the Park Service can be fully accomplished.

What is needed is better attention to the balance between preservation and use, in this case, tourism. That balance will require compromise on both sides, in our judgment. Some restrictions on certain times and places and kinds of tourism activity is necessary even if it means less revenue at times to industry. It also must be accepted that the presence of tourism in the national parks will and does cause some impacts to the natural and cultural resources. Those must be managed for and accommodated, though the impacts do occur. We cannot have pure preservation or total use. There has to be a balance.

What is important is that the high standards of management and protection set by the Congress for the National Park Service be maintained in perpetuity.

This alliance between the parks and industry is one which deserves a great deal of attention. The current situation, as we view it, is that, as the Park Service witness earlier noted at some locations in some parks at some times of the year, there is currently a crowding situation and currently some impact occurring, in a few cases, avoidable impact and inappropriate impact. However, there are many, many units of the National Park System that do not now enjoy optimum use and visitation, referred to as the lesser used parks, the lesser known parks.

The Park Service in its 1980 State of the Parks Report found that overuse and concomitant vandalism and damage was the fourth most prevalent, potential threat to parks. There really are three factors that lead to these problems. One, of course, is the tremendous increase in the total numbers of visitors to the parks that has occurred over the last 50 years.

In 1930 the system consisted of 10.6 million acres and had 3.2 million visitors. In 1985, the system is now at 80 million acres and has 250 million recreation visits per year. System use has been increasing on the average about 3 or 4 percent a year. This year it is up about 7 percent.

Coupled with that are a variety of new types of recreational use, not that they are all bad, but they pose different kinds of management constraints on the Park Service. Those two factors, coupled with reductions in personnel levels and funding levels for the National Park Service produce a potential problem for the need to perpetuate and manage those resources.

As I mentioned, this decline in Federal leadership is something that we strongly believe this committee should address, that we believe the President's commission will address. I have put a person on my staff to work full time in liaison with the President's commission so that we can be sure that information that we have is made available to the commission as it goes about preparing its recommendations.

When I speak of the National Park Service today, it is really more than just the 337 units of the system. It also encompasses the mission that was formerly performed by the Bureau of Outdoor Recreation, the Heritage Conservation Recreation Service, as it was later called. The technical assistance and grants funding program that the Park Service now administers was a critical link between State and local government and the Federal Government's role in recreation and tourism.

With a continuing cut in those programs, the technical assistance programs, the grants funding program, for example, on the State side of the land and water conservation fund, the ability of the States to provide a buffer to park visitation through expanding facilities of State park systems and expanding land base for recreation puts an even greater burden on the units of the national park system to withstand and cope with and properly manage for increased visitation.

There are strategies emerging for how the Park Service should address this issue. One that has been called carrying capacity or visitor impact management is an issue that has come into some public attention of late. In 1978 the Congress gave the Park Service the statutory requirement to determine and implement carrying capacity for each unit of the National Park System. To date the Park Service has been unable or unwilling to do that.

Short of that, however, and short of the need, perhaps, ever to address the question of closing a park because of overcrowding, are a number of steps that the Park Service should take more aggressively than it has. There are things that they have done in a few places at a few times that really would delay the day of reckoning or perhaps prevent it from ever occurring where parks have to be closed, and those, particularly the first four that I have listed in my testimony, are ones where there is a very strong need for a close relationship between the tourism industry and the National Park Service. One of these that was alluded to by earlier witnesses is the need for better information, promotion of the lesser used parks.

The Park Service's budget to publish a brochure that they have developed on the lesser used parks was cut. We, among others, have reprinted that brochure at our own expense and are distributing it to our membership as one means of saying to people that always go to Yellowstone in the middle of summer, there are other parks that have spectacular resources, wonderful visitor recreation opportunities that are less well known. Having reservation systems that allow people to avoid the kinds of frustration of being shut out of a campground would be an important step in this regard.

Similarly, transportation systems, as other witnesses have noted, buses are a very satisfactory if not excellent means of providing visitor access while reducing the problem that automobiles cause. Those parks that are experiencing serious crowding problems almost entirely are overrun with cars, not with people.

The situation in Yosemite Valley mentioned earlier is a lack of parking spaces. The gridlock traffic jams occur when all the parking spaces are taken and there is no place for people to go and they still have more cars coming in. So the Park Service needs to set some limits, in this case on a very practical basis, based on the number of parking spaces available, and then bring everybody else in by bus.

Expanding the visitation into the shoulder seasons is another way for reducing the crowding or the potential for crowding. As segments of our population become older and travel more together on bus tours, for example, there are great opportunities for traveling in the spring and the fall rather than in the peak summer season. The Park Service, however, needs to make management decisions to prepare for that.

Normally, their seasonal interpretation force is cut drastically as the fall approaches, and as visitor patterns change. If they want them to change so that the use can be spread out more, they are going to have to bring their seasonal staff in for longer or a second corps of seasonal staff to have programs available in the fall or the spring, the off-season, so to speak.

Similarly, completing acquisition of authorized parks, there are some parks in the system that have been authorized for seven or eight years that have yet to acquire the first acre of land. New River Gorge in West Virginia is one example of that. Here is an area that could provide fantastic hiking, camping, fishing, does provide boating through private enterprise at present, but that is a recreational opportunity forgone because the land has not been acquired for that purpose. Similarly, the establishment of new parks can provide additional opportunities for tourism and recreation development.

In all of these issues, the relationship between the Park Service and the travel industry is one which needs to be expanded upon and improved upon. One of the most important areas in this regard is in what we call regional recreational planning in which better coordination and communication jointly with industry could alleviate problems.

At Shenandoah and Acadia National Parks, the Park Service, the local chambers of commerce, the Forest Service, and other recreation entities have proposed joint visitor information facilities so that one does not just go to the park entrance and find out information only about the National Park, but one goes to a location near the entrance and finds out camping, hiking and other accommodation information relative to the region and not exclusively to the park.

This concept could be applied in many, many other parts of the country with great effect.

With all of these actions taken or utilized to their maximum, there may still be the need, there will be the need in some locations at some times for the Park Service to do more than make seat of the pants judgments about proper use levels. In that regard, 3 years ago we began a study, with a team of scientists and professional Federal land managing people as advisors, to develop a carrying capacity methodology or visitor impact management methodology. We set some fundamental ground rules for that in which we wanted to address both environmental effects and effects on visitor experience, sociological effects of crowding.

We wanted to have a process that would apply both to the back country which in the 1970s was experiencing the most abrupt increasing use, and the front country which today is experiencing the brunt of the heavy use, and we contracted with a team of scientists at the University of Maryland and Penn State University. We put together a task force of senior Park Service and Forest Service managers and scientists, and for three years we have been developing this methodology.

We first conducted an extensive inventory of all existing scientific literature on the subject, some 2,000 citations. From each of those we extracted the known information in a synthesis of the literature and subsequent to that we have been taking the best elements of that, devising a methodology which is explained on the final sheet of my testimony in summary form that would give the Park Service a mechanism, a process for making those management decisions necessary when the circumstances warrant to properly respond to visitor impacts on the parks.

That does not and in most cases will not mean a magic formula setting a use limit in numerical form for a unit of the Park System. That is just not practical and probably not feasible. But it does force the Park Service, we think, to think through a logical sequence of fact and decisions to avoid adverse impact on either the physical resources of the park or the visitors' experience. In some cases, where you are getting trail erosion, you might decide to pave the trail to avoid the erosion. In other cases you might decide to put in another trail and encourage people to use that part of the park.

Nevertheless, the process that we are developing we think is a logical one, and one that the Park Service will be able to implement. We anticipate having this process finalized in a form that the Park Service can implement by next spring, sometime around March or April. We have been field testing it this past summer in several locations: the Great Smokey Mountains National Park and Glacier National Park. We anticipate field testing it further and then presenting it to the Park Service for their utilization.

In conclusion, Mr. Chairman, we again express our appreciation for your interest and concern and would be willing to work with you or members of the travel industry or our colleagues in the conservation community and the administration to further elucidate the proper role of the travel industry in tourism and protection and promotion of our national parks.

Thank you.

[The statement follows:]

STATEMENT OF T. DESTRY JARVIS, NATIONAL PARKS AND CONSERVATION ASSOCIATION

I am T. Destry Jarvis, vice-president for Conservation of the National Parks and Conservation Association, 1701 18th St., NW., Washington, DC. Thank you for this opportunity to present my organization's views on the promotion of domestic tourism as it affects the natural parks.

The National Park System and the tourism industry share common roots. It has been said that tourism is based on the intangible elements of human curiosity, aesthetic sensibility, and fantasy. These same intangibles also stimulate the widespread public interest in the establishment and protection of the National Park System in this country and throughout the world.

When an Area is designated as a unit of the National Park System it usually results in increased tourism and local economic growth. Tourists attracted to the parks contribute to the local economy through purchase of souvenirs, meals, accommodations, and transporation. According to the National Park Service, the National Parks account for 5-10 percent of the Nation's tourism dollar.

The primary purpose of the National Park System is the preservation of unique, nationally significant natural and cultural resources. But the economic stimulus that national parks can provide to surrounding committee, is an important motivating factor in the establishment of new parks.

Once a park is established, the tourism dollars it brings in should serve as a major incentive for maintaining and preserving the resources that attract people in the first place. However, the soaring popularity of many parks, compounded by the natural desire of the tourism industry to increase revenues by promoting more tourism, potentially creates a threat to park resources and could diminish visitor enjoyment.

Recognizing that this threat exists, managers of the National Park System must bring these conflicing interests of preservation and promotion into balance. This balance will undoubtedly involve some degree of compromise on both sides. Some restriction of tourism activities for conservation purposes is necessary even though it may mean less revenue in some cases. On the other hand, it must be accepted that tourism will have some impact on the natural and cultural resources of the National Park System regardless of restrictions imposed.

What is imporatant is that the high standards of management and protection of the National Park System, which are emulated around the world, remain intact.

Tourism, if pursued in a thoughtless and unplanned manner, has the potential for destruction of our most cherished natural and cultural resources. It also has the potential to be one of conservation's strongest allies. It is with this latter potential firmly in mind that I am appearing before the committee today to discuss the strategies needed to ensure wise visitor management, and thus tourism development, in the units of the National Park System.

THE CURRENT SITUATION

There is not any doubt that certain national parks already have serious visitor use problems, especially on holiday weekends. More importantly, however, many parks, although not obviously crowded, are suffering from some form of unacceptable resource degradation as the result of visitor use. Not only are resources suffering, but the visitor's experience and enjoyment of the parks are being jeopardized by the park's popularity.

Contrarily, there are an array of natural and cultural units of the system, containing spectacular resources, which currently receive very little visitation, largely because they are not well known. Big Bend National Park, Chiricahua National Monument, Chaco Culture National Historical Park, and Allegheny Portage Railroad National Historical Park are just a few examples.

The significant of the parks visitor use problems was revealed in 1980 when the National Park Service issued its premier "State of the parks" report. According to the report, the fourth most prevalent threat facing the parks was overuse and related problems such as vandalism.

The visitation pressures on the parks revealed by this report and other documents are not simply due to increasing numbers of visitors. We believe that there are actually three factors contributing to the visitor management challenges facing the park service today.

The first factor, of course, is simply the growth in visitor numbers. Since World War II, the shorter work week, improved transportation systems, and a heightened public interest in the environment have all contributed to the growth in National Park visitation. Although the system itself has expanded in number of acres over the years, its growth has been greatly outpaced by visitation. For example, the National Park System comprised 10.6 million acres in 1930 and had 3.2 million visitors. Today, the 80 million acres system has over 250 million recreation visits per year. The National Park Service has estimated that the number of visits to the system will continue to increase by 3 percent annually. However, the percentage of increase for the year thus far is 7 percent.

The second visitor management challenge is the continual expansion in the variety of recreational activities and demands. Each decade seems to add a new recreational activity to the list. In the 1960's it was snowmobiling, in the 1970's—hang-gliding and in this decade, trailbiking has the parks. Each of these new activities presents a new possibility for deterioration of park resources and conflict with other users. Oftentimes these types of recreational activities are outfitted or organized by local tourism interests.

The third major visitor management challenge is the decline in Federal support for outdoor recreation programs and areas. In 1981 the major Federal bureau for outdoor recreation, the Heritage Conservation and Recreation Service was abolished. Federal funding for recreation programs has plummeted and few legislative initiatives for Federal recreation programs have been introduced much less enacted.

The significance of this decline in Federal leadership in outdoor recreation is that park managers have fewer funds and people with which to respond to the increasing visitor impact and crowding problems they face. Any efforts taken to resolve the visitor overuse challenge must be as efficient and cost-effective as possible. Consequently, when the NPS is trying to grapple with existing and potential overuse problems, it must not only look at the growing number of visitors to the parks, but the expanding variety of recreational demands and decreasing management resources.

Furthermore, the grant and technical assistance programs administered by the former HCRS have virtually disappeared, leaving a great void of unmet needs in a period of rapidly increasing demand. When funding and other forms of assistance to regional, State, and local park and recreation activities disappear at the same time that funds and staff for Federal parks and recreation activities are being reduced, both the resource and the user inevitably suffer. The BOR/HCRS programs were complementary to the Federal park and recreation program administered by the National Park Service, so that the shriveling of these programs has severe impacts on both Federal, State, and local park programs, and on the tourism industry, which often relies on the public park lands as a hub for its private sector activities.

STRATEGIES FOR MAXIMIZING WISE VISITOR USE OF PARKS

Visitor overuse of the parks is getting a lot of attention in the press lately, but it is not a new concern. In fact, various recreation and park experts have been warning about the adverse effects of visitor overuse since the early 1960's. These warnings have usually been accompanied by recommendations to set limits on the number of visitors to the parks or to set recreational carrying capacities. Recreational carrying capacity is widely accepted to mean the amount and type of use an area can sustain over a specific period of time without impairing the environment or the visitor experience.

These recommendations for carrying capacities for the parks reached a crescendo in the mid-1970's when backcountry use skyrocketed as the young adult baby-boomers hit the trails. Congress finally responded to these repeated recommendations by requiring, in the 1978 National Park and Recreation Act (Public Law 95-625), that the National Park Service establish visitor carrying capacities for each unit of the National Park System through the general management planning process.

Although NPS has, to date, been unable or unwilling to seriously carry out its statutory mandate on carrying capacity, it has taken a number of related actions, and more actions are available and warranted, which can maximize wise visitor use of the parks before closing the gates is necessary. Under the able leadership of the new NPS Director, William Penn Mott, Jr., we have felt renewed confidence that the Service will finally come to grips with the growing problems of overuse and crowding in our national parks.

Several alternatives which the NPS should utilize to postpone the day of reckoning with the problem are:

1. *Expand Information and Reservations Systems.*—Availability of comprehensive recreation, food service, lodging, camping, and other information, as well as reservation systems for campgrounds, could help divert visitors to less crowded places, and could help reduce the frustration and antagonism of visitors turned away from crowded sites.

2. Improve Visitor Transportation Systems.—Most crowded national parks have too many cars, rather than too many people. Bus services for visitors have worked in several parks incuding Denali, Yosemite, and the Grand Canyon; they are needed elsewhere, especially in the peak visitor season. Opposition from the OMB to the concept, however, and the unwillingness of some consessioners to take on these tasks, has severely limited this option.

3. Promote Lesser Known and Lesser Used Parks.—Spectacular resources exist in relative obscurity around the system, which, if properly promoted could attract some of those frustrated by crowds in the more popular parks. Canyonlands, Chaco Culture, Chiricahua, Cape Lookout, Voyageurs, and other come to mind in this regard. Budget cuts, however, have all but eliminated the ability of the service to produce brochures on this subject and advertising by the Service is Generally frowned upon by the administration.

4. Spread Use to the "Shoulder" Seasons.—Most visitors come to the parks in the summer, and thus create the greatest crowds, whereas many parks are virtually empty in the spring and fall, as well as winter months. Staffing in the parks adequate to continue interpretive programs in these seasons, as well as advertising their availability could attract frustrated summer park visitors. Unfortunately, severe limitations on NPS personnel ceilings imposed by OMB, including on seasonal hiring, preclude this option at present.

5. Complete Acquisition of Authorized Parks.—Completing the fee acquisition of already authorized units of the system will expand park recreation opportunities in many locations. At the new River Gorge National River essentially no acquisition has occurred 7 years since authorization of the 62,000-acre unit, effectively precluding public hiking, camping, or hunting in the area.

6. Establish New Parks.—Visitor use can be additionally dispersed if new parks are established, particularly ones with spectacular resources. Tallgrass Prairie and Great Basin parks have been of high priority for decades, and other opportunities exist around the country. As urban life becomes more stressful, more and more people will be seeking refuge and relaxation in our national parks. Yet the system itself is not expanding to accommodate this explosion in recreation.

The implementation of the above-mentioned strategies would greatly alleviate the visitation pressures being felt by the popular parks today. The tourism industry could play a significant role in the first four: Improvement of information and reservation systems; provision of visitor transportation systems; promotion of lesser known and lesser used parks and spreading use to the "shoulder seasons."

The tourism industry is second only to the Park Service as a source of public information on the national parks. Visitor education is an important means of influencing visitor behavior and destination in the parks. By working in close cooperation with the National Park Service, the industry could help encourage the public to visit lesser known parks or plan their trips during the off season.

As park visitation grows, there is an increasing demand for more facilities within the parks. Adding more facilities is not always the answer, though, and often can create conflicts with the resource preservation purposes of the parks. Instead of developing more facilities within the parks, what is needed is better regional tourism planning in which local communities, the tourism industry and the park service work together to provide the recreation opportunities and the visitor services necessary to offset increasing demand.

One way this could be achieved is if the tourism industry and the National Park Service could jointly establish information centers at park entrances which not only provide information on the parks, but also information on the local community, lodging, food, and other visitor facilities. Several parks, such as Shenandoah and Acadia, have already planned such centers.

With respect to transportation systems, tour companies and bus lines already provide a significant amount of the visitor transportation to and within national parks. We believe that visitor reliance upon such transportation will increase as the average age in this country increases. Cooperative efforts between the Park Service and tour and bus operators to develop intrapark bus systems should be enhanced.

MEETING THE CARRYING CAPACITY MANDATE

The proper approach to meeting the 1978 congressional mandate to establish visitor carrying capacities has thus far eluded the National Park Service. Many parks have established visitor limits on trails and other backcountry facilities based on the status quo or "seat-of-the-pants" judgments. But the Park Service does not have an established method for determining the optimum mix and amount of visitor use compatible with the proposes of the individual parks.

In an effort to help the National Park Service meet the mandate, NPCA for the past 3 years has been studing the carrying capacity question and looking for the most workable strategy for evaluating and preventing visitor-related impacts in the parks.

Throughout this project, we have had the cooperation of National Park Service Professionals, including Denny Galvin, the new Deputy Director; U.S. Forest Service scientists such as John Hendee, and recreation experts from around the country.

From the beginning we believed that it was important that any strategy we developed be scientifically sound. Furthermore, it had to integrate resource considerations such as vegetation, soils, water quality, and wildlife, with social considerations such as the quality of the visitor experience and user conflicts.

Our attempt to find a management strategy to the carrying capacity challenge is not the first. The Forest Service, for example, has been developing recreation management schemes based on the carrying capacity concept for years. Their strategies are tailored for the multiple-use orientation of the national forests which is quite different from the National Park System's mandate.

To ensure that any strategy we develop is through and well-grounded, we have engaged the expertise of a team of scientists from the University of Maryland and Pennsylvania State University who all have interdisciplinary backgrounds and extensive research experience in recreation.

In developing our strategy we believe it is important to draw upon all existing research on the subject. During the course of the project we have complied and analyzed all that is currently known about recreation impacts. We have discovered that more than 2,000 studies and papers exist on recreational carrying capacity.

We have condensed what we have learned from these studies into what we are calling a synthesis of recreation carrying capacity literature. This document summarizes the state-of-the-art theories and management concepts pertinent to visitor impacts and recreational carrying capacity.

As we have studied the current theories and research, we have become convinced that trying to establish overall carrying capacities for individual parks based upon specific visitor numbers would be impossible to define and implement. We believe the process we are developing must be flexibile enough to be used for someplace as small as a picnic ground or as large as a backcountry zone.

Instead we have decided to focus on developing a planning and management process through which unacceptable impacts to both resources and the visitor experience could be identified and resolved.

The process, which you can see on the attachment, consists of eight logical steps. In the first three steps, specific management objectives or preferred conditions for an area and its use are defined via measureable indicators. For instance, if it is determined that a park trail should provide a solitary wilderness experience with minimal signs of human activity, the possible indicators would be the number of encounters a hiker has with other hikers on the trail, the trail width, presence of exotic rather than native plant species, etc.

When discrepancies are found between the preferred and the actual conditions, a range of management strategies are available. Setting a limit on the number of visitors is only one option, others could include improving visitor facilities or educating visitors.

To determine if we are on the right track with this process, we conducted some limited field studies in Great Smoky Mountains and Glacier National Parks this past summer. In those parks we looked at a variety of problem situations in both the frontcountry and backcountry. We are particularly interested in making sure that this process would be useful in frontcountry planning and management because that is where the parks are going to be facing their greatest visitor use demands in the immediate future.

The success of this type of management process, however, will depend upon the support and cooperation that the National Park Service get from affected user groups and tourism interests. For example, current information on recreation trends and development would be extremely useful to managers trying to determine what mix and amount of recreation opportunities they should provide. Any assistance or information the tourism industry could provide to park planners on such trends would be valuable. Not that every demand should be met. Some must be rejected, and others modified through education and interpretation.

CONCLUSION

The National Park System plays a significant role in this country's tourism. Tourism dollars also serve as an important incentive for the creation and maintenance of the national parks. Yet, the parks are being increasingly threatened by their own popularity and potentially by their promotion by the tourism industry. This threat requires improved cooperation between the tourism industry and the National Park Service if our parks and the enjoyment of the parks such as visitor education to spread out use and minimize its impact; expansion of park transportation systems; development of regional tourism planning; and addition of nationally significant areas to the park system.

The National Park Service is required by congressional mandate to establish visitor capacities for the national parks. This is a difficult task and NPCA is developing a management process to assist the National Park Service in meeting this mandate. The tourism industry, can be an important source of information and ideas in any visitor capacity planning strategy developed.

Thank you for this opportunity to present our concerns related to tourism and the national parks.

Senator PRESSLER. Thank you.

I note, in your statement, you say that the Park Service is required by congressional mandate to establish visitor capacities for the national parks. I think that is a very important thing, and as we have more and more troubles in that area, I think your study and your guidelines will be of use, and we thank you very much for them.

Let me ask each of you a question or two here.

Mr. Dilbeck, how much money has the National Domestic Marketing Task Force had to spend to date to develop the study you are talking about?

Mr. DILBECK. To date the travel directors have basically put up around $15,000 of State money to conduct the consumer research project which I alluded to. Other than that, it has been basically out of pocket costs as we have traveled around the country and met which we have absorbed individually in the States.

I think the significant thing here is all the States basically in a very competitive time have agreed to drop their State boundaries for the benefit of the industry, to come up with a plan that will help us all in the long run.

And so we are committed to go further budgetarily, but the amount has not been determined at this point, but there is a commitment to finance it through the State travel offices to some degree.

Senator PRESSLER. Do you think the Federal Government should provide more leadership in developing a national marketing program for tourism?

Mr. DILBECK. Well, that is open for considerable debate, but let me tell you what I think. The biggest void that we have in this industry is the umbrella. We have all of the spokes, everything leading to the hub, but there is no hub. We have the States who are very, very capable of handling the promotion within the boundaries of that State.

We have some regional organizations that are capable of combining together four or five or six States in promoting, but the one thing we do not have, either private sector or public sector, is the national organization that is funded to promote generically the destinations and the benefits that tourism offers the American people.

Senator PRESSLER. Mr. Jarvis, do you feel the tourism industry is playing an active enough role in alleviating the visitation pressures being felt by the popular parks today? I know your group is doing a study on how to handle it, but aside from your group, your association, are the rest doing enough?

Mr. JARVIS. I think there is always room for improvement, Mr. Chairman. We are at present reaching out to the travel industry to try to provide them information about our process, to alleviate fears that it might lead to widespread closures of parks which I think would be ridiculous. I think that there needs to be a greater receptivity within the National Park Service itself at senior levels to working cooperatively with industry in this area.

It is a two way street. The travel industry can be quite receptive, I think, particularly in the case of the tour bus industry. There have been some impediments that the Park Service has advertently or inadvertently thrown up to facilitate an expansion of bus opportunities in the parks.

One such impediment is found in the Concessions Policy Act where for a time the Park Services required either the bus operator from the outside to pay the concessionaire in the park a fee or for a time they were even requiring bus passengers to get off the bus and get onto a concessioner's bus before they could tour through the park.

Some of these impediments have been removed. There are some others.

I think basically there needs to be a stronger commitment from both the Park Service and the travel industry to tie lines of communication and cooperation more tightly and agreeing on the criteria, agreeing on the goals, and working together.

I do not see that being as well thought through and developed as it should be.

Senator PRESSLER. Would you each comment on what you think about user fees in the parks and/or in Federal recreational lands?

Mr. JARVIS. My association supports the utilization of appropriate entrance and user fees in national parks. We have been working with a task force in the U.S. Forest Service to develop a recreation fee policy there. I think there are some necessary caveats to the development of a fees program. It will take legislation. Right now there is a statutory moratorium on any increased or new entrance fees to national parks.

The existing law, found in the Land and Water Conservation Fund Act, does not adequately guide the Park Service, and thus, the fears of the Office of Management and Budget's motivation to produce self-sufficient park management which is motivated simply by concern for the deficit and the Treasury revenue enhancement is not the reason, certainly not the principal reason to have a fee system.

Certainly there is an appropriate place for the concept that the user pays, though the national parks have a purpose that transcends the mere use of them. That is an important role, but they have another purpose so that it is appropriate that all the taxpayers of this country pay a share of the support for the existence of the national parks.

It is also appropriate that users that make direct, specific use of them pay a share. However, the fees should not be used as a discriminatory mechanism. They should not be used to cut out one socioeconomic class of society. They should not be used as a means of setting carrying capacities in the parks. They can serve a number of roles.

The Park Service has entrance stations at most of the national parks now. Some of them collect fees and some of them do not. It is a fairly strange system. The ones that do, 2 weeks in Grand Teton and Yellowstone is $4. That seems a great bargain, and while it should not go up to an exorbitant fee, an appropriate increase would be desirable if the monies are viewed as an enhancement of existing programs and not supplanting existing appropriations.

The Park Service for too many years has been too tightly constrained in developing its interpretive program, its resources management functions. They need some additional revenues returned to the Park Service via the appropriations process, yes, but not counted against their existing appropriations, in augmentation of that.

Senator PRESSLER. Mr. Dilbeck?

Mr. DILBECK. Again, this is something that would be outside the scope of the national domestic marketing program, but I would have to agree with the comments made by the previous panel, but I think the traveling public agrees to pay for those services that are provided. I think the motivation behind any fee is the keen issue, and there is no question but what in our own State we are struggling with that very thing. Locally the people do not want it, but the traveling, out-of-stater that comes wants the good facilities and does not mind paying for it.

So I think if the motivation is proper, I think fees, properly structured, would be receptive and would enhance the quality of experience and the product that could be offered to the traveler.

But again, there are a lot of factors to be considered.

Senator PRESSLER. Mr. Kelly?

Mr. KELLY. We simply have not examined that issue.

Senator PRESSLER. Mr. Kelly, I am interested in some of the things in your study, and let me say I think OTA does a lot of interesting studies, and we in Congress have got to learn to use OTA better and relate to it better. A lot of members do now. I am not saying that we do not.

Did I understand, just out of curiosity, you say the fast food business has declined?

Mr. KELLY. The data shows that eating at restaurants in general has held a roughly constant share of personal consumption expenditures.

Senator PRESSLER. Oh, I see, it has not gone up, the eating at restaurants.

Mr. KELLY. Right.

Senator PRESSLER. Now, you said that spending for entertainment services declined.

What do you mean by this, especially since you stated that spending for hotels and motels increased significantly.

Did I understand you correcty there?

Mr. KELLY. Yes. None of these changes are particularly dramatic. The best way to see the changes is to compare tables 5A and 5B in my testimony. We define "entertainment services" to include admissions, to sports events, threatres, golf clubs, and the like. These have declined somewhat. Hotels have, on the other hand, actually increased as a fraction of total spending.

Senator PRESSLER. Now, you suggest that people are watching less TV in the 1980s?

Mr. KELLY. Well, the only way you can really get at this is with something called a a personal time use survey. It was dconducted by the University of Michigan, in 1965 and 1975 under NSF sponsorship. This year it is being funded privately by AT&T and they have kindly agreed to share the results with us.

Some preliminary indications from Michigan work in 1981 showed a decline in television usage. We are hoping this 1985 data will clarify what is going on. But it did appear from the limited 1981 data that the amount of time spent indoors in front of the television had declined somewhat for a broad section of society.

Senator PRESSLER. There will be additional testimony submitted for the record.

I want to thank the staff, John Hardy, Nancy Unger, Kevin Sheefer and others who have done a good job of preparing for this hearing.

So I thank you very much.

This hearing is concluded.

[Whereupon, at 12:59 p.m., the subcommittee recessed subject to the call of the Chair.

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Statement of Derrick Crandall, President, American Recreation Coalition

Mr. Chairman and distinguished members of the U.S. Senate Subcommittee on Business, Trade and Tourism, the American Recreation Coalition [ARC] welcomes this opportunity to present its views on domestic promotion of America's travel destinations. ARC represents some 100 organizations and corporations with an active interest in recreation and conservation issues. Our members include recreation enthusiasts and components of the recreation industry.

We feel very strongly that programs to encourage domestic travel should be catalyzed and coordinated by an appropriate entity. Tourism represents a segment of our economy which is growing in importance every year, supplying thousands of jobs to minorities and helping to revive economically depressed areas. In 1984, there were 6.8 million jobs in the tourism industry, generating 6.4 percent of the Gross National Product. We have an incredible variety of destinations to offer—beautiful mountains, lakes, rivers, seashores, cities, resorts, amusement parks and more. A promotional program would be a valuable addition to tourism in the United States.

Outdoor recreation plays an enormous role in generating tourism dollars in this country. Americans are spending more and more to enjoy activities such as skiing, camping, white-water rafting, bicycling and a variety of other amusements and sports. Recreational travel also geneates money for hotels, restaurants, stores, gas stations and a host of other businesses which profit from an active, traveling public. ARC is hopeful that through the leadership of a partnership of public and private interests, recreational travel will continue to grow.

Many small businesses are dependent upon such travel. From the mom and pop general store at the entrance to a national park to boat rental firms located by our lakes, the tourist represents the primary customer. In areas such as rural West Virginia, white water rafting has created a booming business in an area with few other economically productive options. It is estimated that white-water rafting on the Gauley River has injected some $10 million into the West Virginia economy annually. In Idaho, revenues generated by the outfitting and guiding industry (leaders of organized trips for hunting, fishing, boating, skiing or other activities) has an economic impact of over $36 million annually.

The Federal Government also plays an important role in generating travel and supporting the tourism industry. One-third of the United States is currently managed by federal agencies. Our national parks and forests, wildlife refuges, Bureau of Land Management areas and Army Corps of Engineers water projects form a network of varied recreational opportunities across the country. Americans are drawn by the millions to these lands to pursue a variety of recreational activities.

But we are not doing all we can to promote travel to these lands by Americans. In fact, some actions by the Federal Government are discouraging domestic travel.

Too much negative publicity has been disseminated about our Federal lands. Six years ago, leading government officials proposed the sacrifice of recreational activities as a symbolic response to the energy supply disruption. Today, we hear too often about how our parks are overcrowded, or that we are "loving our parks to death," when in reality this situation applies to only a handful of national parks during peak holiday periods. A number of national parks remain virtually undiscovered and greatly underutilized, victims of a perceived "overcrowding" problem. The "damaged" condition of our parks and forests is also frequently cited in the media and by agency personnel seeking dollars for maintenance and construction projects. Much of the public remains unaware that the National Park Service alone spent over $1 billion in the past five years on safety and facility improvements.

Lack of up-to-date and comprehensive information also hinders the ability of Americans to locate and visit our Federal lands. A moratorium on the development of new brochures, and a statutory prohibition on advertising by land managing agencies are considerable barriers to the flow of information to recreationists.

The U.S. Travel and Tourism Administration has addressed the problem of tourism promotion on the international level, creating effective advertising campaigns and coordinating and aiding efforts by states to publicize overseas. USTTA is doing a wonderful job on these promotional efforts, and we are hopeful they will be allowed to continue this important work. The international traveler is extremely important to our tourism economy, helping to reduce the trade deficit.

But what are we doing domestically to improve recreational tourism? Americans in increasing numbers are traveling overseas, spending their money in foreign hotels, restaurants and stores and at foreign ski areas and marinas. And with the high value of the dollar, the number of Americans traveling overseas far outdistances our visitors from abroad. We are not acting to capitalize on the wonderfully unique travel opportunities offered in the United States and are losing valuable tourism expenditures to foreign countries.

It is clear that we should act quickly to develop a domestic tourism promotion plan. An organization that will act in a coordination role—either set up by Congressional charter or through some other means—should be create to integrate the promotion activities of the tourism industry. Local, State, and Federal recreation interests as well as the many private sector components of the recreation and tourism industries could work with and within such a group to develop and carry out a comprehensive domestic marketing plan.

The growth of the recreation and tourism industries in this country will surely result from such promotional activities. Considering the Government's enormous role in providing recreation and tourism opportunities, and the tax benefits derived from a strong tourism industry, we would like to encourage the contemplation of innovative approaches to this need. Perhaps we need a structure more like the National Endowment for the Arts than USTTA, able to make small, catalytic grants and thus stimulate non-Federal domestic tourism promotion. A legitimate source of permanent funding for this program could be investigated. For example, the Federal excise tax on motorfuels has a significant link to recreational travel and activities. Perhaps a modest appropriation of those funds to a new innovation-oriented entity deserves careful study.

STATEMENT OF STANLEY HONG, PRESIDENT, HAWAII VISITORS BUREAU

Good morning chairman and members of the Subcommittee on Business, Trade and Tourism of the Senate Commerce Committee thank you for the opportunity to speak with you here today on a topic very dear to the heart of those of us in Hawaii—the visitor industry.

My name is Stanley Hong and I am president of the Hawaii Visitors Bureau. It is an organization presently in its 83-year of operation. As a visitors' bureau, it is a unique, nonprofit corporation supported by public and private funds; operated under an independent, elected board of directors; and charged as the official marketing agency for the State of Hawaii's tourism promotion.

As an island State and the newest State of the Union we are still somewhat exotic for most people who live on the mainland. As such, we draw the majority of visitors from other States. Sixty-five percent of Hawaii's visitors come from other States, adding to what is the most important source of State revenue—tourism. Tourism is Hawaii's leading industry—it generates $5 billion in revenue—that's one-third of our total State gross product, it is the source of a third of our total civilian jobs, some 165,000, direct and indirect. Tourism in Hawaii generated $565 million in State and local taxes last year, or one-third of all taxes collected in the State.

These numbers spring from visits to Hawaii by close to 5 million people in 1984, and at least that many will visit us this year. In any master plan of our State's future, tourism will continue to play a leading role, and we see no diminishing of its importance to Hawaii's economy through the end of this century and beyond. Emphasizing the importance of tourism to our economic well being is the fact that we do have a State plan for tourism developed with the input of a wide range of community representation and approved by the State legislature. It recognizes the importance of tourism to all segments of the community and the need for coordination and cooperation between these segments. Recognition of the leading role of tourism to our State is also demonstrated in our being the home of one of the foremost travel schools in the world—the University of Hawaii's School of Travel Industry Management, which incidentally because tourism is big business is part of the business program. Many of its graduates have gone on to management positions in the visitor industry in Hawaii and across the world.

One reason that tourism is so compatible with our island environment is that it takes up less than one-half of 1 percent of our total land area. Additionally, there is a commitment to tourism shared by government and the private sector, personified by the Hawaii Visitors Bureau. The bureau's budget is drawn from both public and privates sources. The Hawaii Visitors Bureau, incidentally, is one of the oldest entities of its type in existence; we've been around and promoting Hawaii for a little more than 80 years.

Our marketing strategy for all those years, and continuing today, has been based on sound business principles rather than any South Sea island magic, although it doesn't hurt to have a little magic on your side. We have taken a highly desirable visitor destination area and promoted it through time-tested methods that are familiar to most of you: we do trade shows, send musical troupes abroad, take part in familiarization tours with travel agents, do cooperative advertising with other segments of the industry, do our own advertising and media campaigns, take part in any opportunistic promotions that come our way, and react quickly when some crisis in the industry, such as an airline strike, threatens our business.

These efforts are not confined to the domestic traveler. In Hawaii, 35 percent of our visitors come from abroad, and it is the importance of this bloc of travelers that I want to emphasize today. While granting that the majority of our visitors are domestic, it is the overseas traveler that could easily grow in importance to Hawaii and to the Nation.

Consider this: in Hawaii today, the average American visitor spends $90 a day, but the average Japanese visitor—17 percent of our market—spends an average of $236 a day. So we feel that the Japanese visitor helps upgrade our visitor mix. The overseas visitor also helps provide a hedge against a downturn in a particular economy, or some problem in the industry that impacts on our visitor count.

Very importantly, the Japanese visitor to Hawaii helps provide and maintain the estimated $1 billion trade surplus of visitor expenditures that exists between Japan and the United States today. In 1984 that surplus—if we may speak of travel in terms of export—was some $900 million, and is increasing. That is the other side of the spectrum of an overall trade deficit of $35 billion with Japan. As such, we see the Japanese visitor as a means of attacking America's trade deficit. And it is notable that of the 1½ million Japanese visitors to the United States last year, Hawaii ws the destination for almost a million of them. We, therefore, were the largest beneficiary of these overseas visitors. However, we believe the international visitor is important to the future of tourism not only for Hawaii but for the Nation as well.

As a promotional agency we cooperate and work with the U.S. Travel and Tourism Administration closely in various ways. We participate in the "Visit USA" promotions in Japan, Australia, and New Zealand. We are taking part in USTTA's inflight data research program to obtain visitor profiles of specific countries as a significant marketing tool not previously accessible. In November I will be in Franfurt with Under Secretary of Commerce Donna Tuttle to help kick off USTTA's "America, Catch the Spirit," cooperative marketing and advertising campaign, in which Hawaii is participating. The Hawaii Visitors Bureau also supervises the visitor reception program at the Honolulu International Airport, funded by USTTA. That program provides multilingual greeters to welcome foreign visitors and facilitate their passage through customs and immigration checks.

If all these projects have a decided international flavor, it is deliberate. While the domestic traveler is our mainstay, we must acknowledge the vitality and importance of the overseas visitor and his impact on the economies of Hawaii and the United States.

The USTTA's own research illustrates the value of the foreign visitor. In 1984, nearly 21 million foreign visitors spent more than $14 billion in the United States—generating more than $1.6 billion in taxes with more than half of it going to the Federal Government.

This took place within the parameters of total world travel statistics that showed revenues of $750 billion in visitor expenditures. Tourism is the second largest retail service industry in the United States with travel expenditures of $229 billion, trailing only the $250 billion generated by food stores.

Within this forest of statistics it is important for us to look at some trees. Tourism is one of the top three industries in 42 of our 50 States. Tourism is helping our balance of payments situation. Tourism is generating jobs and taxes and incomes and helping to stabilize our economy. And tourism needs the kind of help the Federal Government can provide to enable it to stay strong and vigorous.

For example, Federal action could make it easier for foreign visitors to obtain visas. On the other hand, we don't think it is helpful to limit business deductions.

From our Hawaii perspective, limitations on tax deductible business expenses would have a serious impact on our meetings and conventions market, which generates over $300 million a year in the islands.

Another real boost to tourism would be assistance on the Federal level for our Japanese visitors; that is, allowing potential visitors from Japan to clear U.S. customs and immigrations in Tokyo prior to boarding flights to Hawaii and beyond. It would eliminate not only the lengthy clearance problems that occur when Japanese visitors arrive at their port of entry in the United States, but also eliminate the wide-spread perception of U.S. custom as a stumbling block to the beginning of a U.S. visit. We would like to see that preclearance concept taken seriously.

Finally, I would like to urge more attention to tourism at all levels, not only for the economic reasons cited above, but also for the fact that of all the major industries in the United States and abroad, tourism is the least polluting—and probably, in human terms, the most satisfying. That alone is reason enough for all of us to give it our very best efforts.

We in Hawaii recognize domestic travel as the traditional and bread and butter market, as it is across the Mainland. We believe, however, the future of tourism for Hawaii and the United States is the international market. We at the State and industry level will continue our efforts to ensure that the United States gets its share of this important market, but we must have the supplemental support of the Federal Government. I mentioned earlier the policy areas with which Federal Government can assist such as facilitating visa applications, and customs preclearance of Japanese visitors, but even more important, is the need to provide a budget that is adequate for USTTA to make the United States a major force in the world travel market. By doing so we can provide the United States a larger share of that $750 billion world tourism pie, while reducing the Federal trade deficit in the process.

Thank you for permitting me to be here today.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, November 18, 1985.

Hon. LARRY PRESSLER,
Chairman, Senate Committee on Commerce, Science and Transportation, Subcommittee on Business, Trade and Tourism, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for providing the opportunity for the Alaska Division of Tourism to provide a statement for the record in your November 19 hearing on the promotion of domestic tourism.

The travel and tourism industry is the Nation's third largest retail or service industry. U.S. Travel Data Center research indicates that tourism ranks as first, second, or third largest employer in 41 States. In 14 States it is the No. 1 employer. Travel supports 6.8 million jobs directly and indirectly, which is one out of every 15 working Americans. In 1984, travel and tourism generated $50.9 billion in U.S. wages and salaries.

In spite of worldwide travel and tourism growth rate of 4 percent a year, travel in the United States during 1984 declined 4 percent from the volume of travel recorded during 1983. (The volume of travel in 1983 declined 1 percent from the volume of travel recorded during the previous year.) In fact, today, Americans are traveling less domestically than they did 5 years ago.

The reasons for this sluggish movement in travel are tied directly to the economy, The strength of the dollar has encouraged Americans to travel abroad, creating strong competition for the domestic travel dollar. In addition, during the recent economic recovery, consumers are satisfying a pent-up demand for durable goods rather than returning to previous travel patterns.

The Travel Industry Association of America [TIA], along with the National Council of State Travel Directors [NCSTD], identified the need for a national domestic marketing program in 1984. Because the Federal legislative mandate identifies USTTA's primary responsibility as promotion of international tourism to the United States, the National Council of State Travel Directors agreed to accept the leadership role in developing a program to promote domestic travel. A National Marketing Task Force was created in early 1985. Since that time this group, made up of 13 State travel directors, has been developing a national domestic marketing plan.

We at the Alaska State Division of Tourism support and applaud the efforts of the National Marketing Task Force. The need for a domestic marketing program to promote tourism within the United States is clear. For a program of this nature to be successful, however, broad-based support on both the part of the public and the private sector will be necessary. We encourage you and your committee to recognize and support the efforts of this group, to the extent possible, in addition to USTTA's international efforts.

Best regard,

MARY B. KLUGHERZ,
Marketing Coordinator, Alaska Division of Tourism.

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